Microchips

Logic behind LSI's move out of Europe

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Britain and the ERM

Major is forced to grit his teeth

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High-definition TV

Europe fails to get its act together

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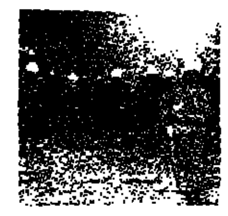

Germany

Asylum seekers under attack in Rostock

Page 12

FINANCIAL TIMES

Tuesday August 25 1992 EUROPE'S BUSINESS NEWSPAPER D8523A

UN and EC set terms for talks on Yugoslavia

Participants in the talks on Yugoslavia will be asked by the United Nations and the European Community to accept four basic principles as a route to a long-term solution to the Balkan crisis. The "code of civilised behaviour" will be unveiled at the UN/EC-sponsored peace talks opening in London tomorrow. Page 12

Russian debt debate: Russia will discuss deferring repayments on its $70bn foreign debt at Paris talks this week with the Group of Seven leading industrial nations. Page 2

Lebanese speaker quits: Hussein Husseini, Lebanon's pro-Syrian parliamentary speaker, resigned after alleging vote-rigging in the country's first general election for 20 years. He had urged the government to scrap polls in his district after the pro-Iranian Hizbollah took a lead. Page 4

Uni Storebrand shares and bonds were suspended in Oslo after talks collapsed between the creditors of the beleaguered Norwegian insurer and finance ministry officials. Page 15

Maytag, the big US domestic appliance maker, forecast a 33 per cent drop in underlying third-quarter earnings and said it was taking a $95m restructuring charge to cover reorganisation in Europe and the US. Page 19

Israel cancels expulsions: Israel's Labour government cancelled deportation orders issued against 11 Palestinians by the previous Likud administration. The move marked a further concession as Middle East peace talks resumed in Washington. Page 12

Refugees moved after neo-Nazi attacks:

German officials began evacuating assylum-seekers from a refugee hostel in Rostock as racist neo-Nazi violence continued for the third day running. Buses carried the asylum-seekers (left) from the east German city's new refugee hostel to former military barracks elsewhere in the city.

A local police chief said neo-Nazis had driven in convoys from Berlin, Hamburg and other cities, using citizens' band radio to co-ordinate their attacks. Page 12

Belgian ex-bank chief 'admits fraud': Jacques Labar, 69, a former financial controller of Belgian state bank Credit Communal, has admitted stealing BFr700m ($23m) in frauds over more than 35 years, Brussels' crown prosecutor said. Officials said he had given himself up on Friday, pleading remorse and inability to repay loans.

Envoys flee Kabul: French and Italian diplomats left Kabul before dawn together with the Bulgarian ambassador, who was injured by shrapnel. Their flight came after another night of intense fighting in the Afghan capital between the government and dissidents. Page 4

Nikon settles suit: Japanese camera maker Nikon is to pay US control group Honeywell $45m to settle a legal action involving Nikon's use of patented auto-focus technology. Page 19

Rothschild Bank Zurich: Shareholders in the Swiss bank are to inject new capital after the discovery of bigger loan losses than previously reported. Page 13

Arabs divided on plan: Allied plans to declare a "no-fly zone" over southern Iraq have caused grave misgivings in the Arab world, including countries which backed the US-led Gulf war alliance. Page 4

King Hussein's health: Malignant cancer cells were removed from the Jordanian king's urinary tract in tests last week but he is expected to recover fully, his doctor said.

Malaria drug: Australian scientists said they had developed a process to boost production from a plant known to alleviate malaria. Chinese production of the plant Qing Hao cannot meet demand. Rhone Poulenc of France holds the patents on the Australian process.

Streamlined jet: Japan Air Lines, the country's biggest carrier, is introducing unpainted aircraft which are 330lbs lighter and use 200 drums less of fuel a year than painted ones. They will be used for cargo flights.

Tiger attacks: A five-year-old Indian girl was snatched by a tiger and eaten. The animal grabbed the child from a tourist van at a national park south of Bangalore.

STOCK MARKET INDICES

FT-SE 100:	2,311.1	(−54.6)
Yield	5.21	
FT-SE Eurotrack 100	1,019.52	(−29.02)
FT-A All-Share	1,098.98	(−2.2%)
Nikkei	16,627.96	(+411.08)
New York: lunchtime		
Dow Jones Ind Ave	3,231.14	(−22.96)
S&P Composite	411.28	(−3.56)

US LUNCHTIME RATES

Federal Funds:	3⅜%
3-mo Treas Bills: Yld	3.156%
Long Bond	98 1/32
Yield	7.489

LONDON MONEY

3-mo Interbank	10 11/16%	(10½%)
Liffe long gilt future:	Sep 96 7/32	(Sep 97¼)

NORTH SEA OIL (Argus)

Brent 15-day	$19.775	(same)

Gold

New York Comex	$341.6	(337.3)
London	$342.2	(337.45)

STERLING

New York lunchtime:		
$	1.9935	
London:		
$	1.9945	(1.9475)
DM	2.8	(2.7975)
FFr	9.5325	(9.505)
SFr	2.475	(2.4875)
Y	248.5	(245.5)
£ Index	92.4	(91.7)

DOLLAR

New York lunchtime:		
DM	1.402	
FFr	4.7835	
SFr	1.24135	
Y	125.845	
London:		
DM	1.4035	(1.437)
FFr	4.78	(4.88)
SFr	1.2415	(1.277)
Y	124.6	(126.0)
$ Index	68.5	(59.9)

Tokyo close Y 125.33

Austria	Sch30	Hungary	Ft162	Malta	Lm0.50	S.Arabia	SR9.00
Bahrain	Din1.000	Iceland	IKr180	Morocco	MDh11	Singapore	S$4.10
Belgium	BFr60	India	Rs20	Neth	Fl 3.50	Spain	Pta200
Cyprus	C£1.00	Indonesia	Rp3800	Nigeria	Naira20	Sweden	SKr14
Czech	Kcs35	Israel	Shk5.50	Norway	NKr15.00	Switz	SFr3.00
Denmark	DKr14	Italy	L2500	Oman	OR1.20	Thailand	Bht50
Egypt	E£4.00	Jordan	JD1.20	Pakistan	Rs35	Tunisia	Din1.000
Finland	FM10	Korea	Won 2500	Philippines	Pso45	Turkey	L6000
France	FFr8.50	Kuwait	Fils.500	Poland	Zl 18,000	UAE	Dh9.00
Germany	DM3.30	Lebanon	US$1.25	Portugal	Es190		
Greece	Dr250	Lux	LFr60	Qatar	QR10.00		

World stocks slide as dollar falls despite bank intervention

By James Blitz in London and Patrick Harverson in New York

WORLD stock and bond markets fell sharply yesterday after repeated intervention by central banks failed for the second trading day in a row to stop the decline of the dollar.

Investors sold financial assets on fears that the continuing fall of the US currency against the D-Mark could trigger a rise in interest rates on both sides of the Atlantic.

The continued strength of the German currency also put pressure on the pound and the Italian lira as they hovered close to their floors against the D-Mark in the exchange rate mechanism of the European monetary system. That threatened a rise in interest rates in both the UK and Italy.

The intervention to buy dollars for D-Marks by 15 central banks, including the Federal Reserve, Bundesbank and the Bank of England, failed to arrest the dollar's decline.

In London, it closed at a record low of DM1.4035, down more than 3 pfennigs on the day and 7 pfennigs in the past week. Later, in American trading, it slipped further to DM1.3988, but recovered slightly to DM1.4010 by late afternoon. The pound gained nearly 5 cents against the dollar, closing at $1.9945. At one point in intraday trading, sterling was over the $2.00 level for the first time since February 1991.

On the London stock market, the FT-SE 100 index lost 54.6 points to close at 2,311.1, its biggest one-day fall since the Soviet coup against president Mikhail Gorbachev last August. Bourses in Frankfurt and Paris lost 1.4 per cent and 3.1 per cent respectively, while on Wall Street, the Dow Jones Industrial Average closed down 25.93 at 3,228.17. This followed a 50-point decline on Friday.

Bond prices in Europe and the US also fell sharply. The US benchmark 30-year bond fell more than one point on fears that the lower dollar would deter foreign investors from buying US government securities.

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- **ERM 'may have to be scrapped'**, Page 6
- **Fear that weak dollar will worsen recession**, Page 6
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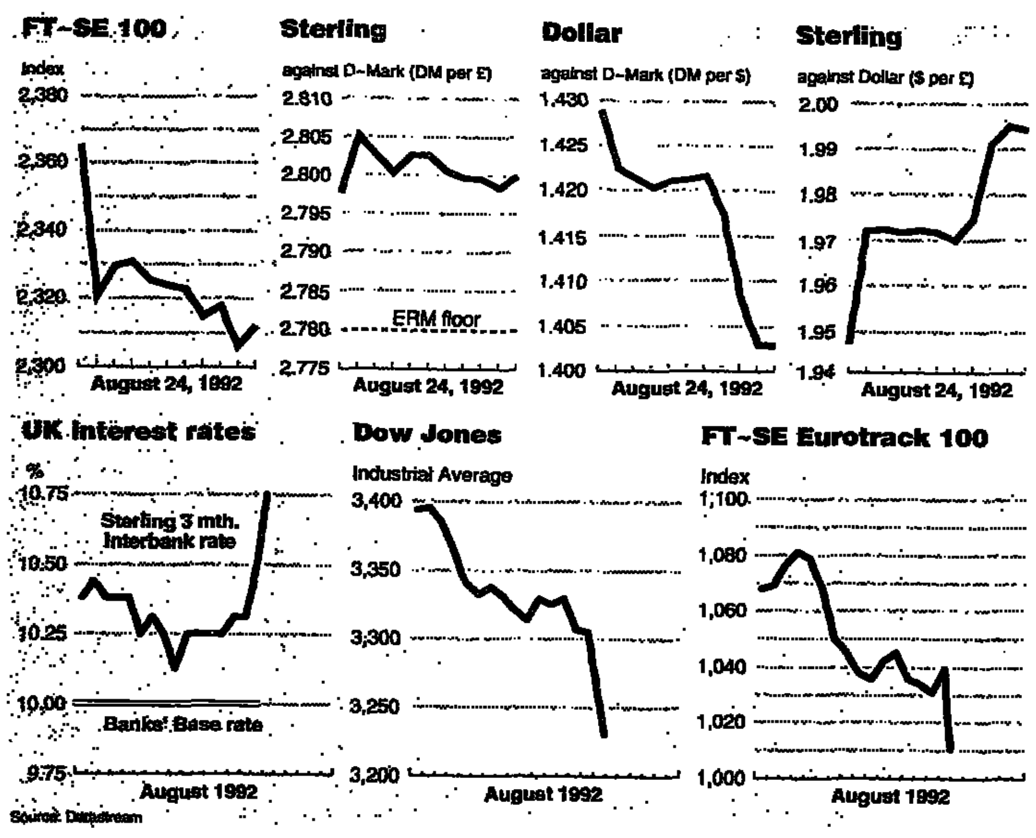
In yesterday's intervention, the fifth such operation in the past month, the central banks bought dollars in five separate waves in both European and North American trading. The action took place as the US currency fell through the DM1.43 level yesterday morning in Europe.

The volume of intervention appeared about the same as it had been last Friday, in which case about $1bn would have been spent. This modest level suggested that the Fed wanted to smooth the path of the currency's fall rather than halt it outright.

Mr John Lipsky, chief economist at Salomon Brothers, the New York investment group, said: "Interventions of this kind normally only succeed if the markets feel there is a good chance of a change in policies by the central banks involved. That is not the case at the moment."

The strength of the D-Mark raised new tensions inside Europe's ERM. The pound dipped to a new low against the D-Mark of DM2.7950 in London, before closing ¼ of a pfennig firmer on the day at DM2.8000, despite worse-than-expected UK trade figures for July. At the close, the pound was less than 3 pfennigs above its ERM floor against the D-Mark.

In late New York trading, the lira was at L764.00 against the D-Mark, almost touching its ERM floor of L765.00. The lira closed in London at L762.1.



Source: Datastream

UK faces renewed pressure to raise rates

By Peter Marsh and Ivo Dawnay in London

THE BRITISH government faced renewed pressure yesterday to raise interest rates as the pound remained under strain in the European exchange rate mechanism.

Intervention by the Bank of England and other central banks to buy dollars for D-Marks helped to lift the pound slightly against the German currency, but financial markets signalled the high possibility of a domestically unpopular rise in UK base rates.

The three-month interbank rate, at which UK banks lend among themselves, rose yesterday by ¼ percentage point to about 10¾ per cent. This indicated a likely rise by the autumn of nearly 1 percentage point in base rates, now 10 per cent.

However, yesterday's braking of the pound's recent falls gave the Treasury and the Bank of England valuable breathing space in their fight to stave off a rise in borrowing rates, which would almost certainly prolong the recession.

The UK currency closed last night at DM2.8, up ¼ pfennig on Friday's close, though still perilously close to its ERM floor of DM2.778. At one time yesterday, it touched DM2.795, indicating continued weakness, while an increase in Britain's current account deficit from £747m ($1.4bn) in June to £934m last month did little to help sentiment.

A Downing Street official insisted that the government's position remained unchanged. "We will do what ever is deemed necessary to ensure that sterling remains within its exchange rate mechanism bands," he said.

Government spokesmen attributed the turbulence to the weakness in the dollar and continuing concern over a possible "no" vote in the September 20 French referendum on the Maastricht treaty.

One official said a firm "yes" from France could help to stabilise sterling. But he added: "If it went no, then the countries that are vulnerable could have problems."

A senior UK minister conceded there was little alternative to "toughing-out" the uneasy market sentiments. "We are engaged in one of those wait-and-see situations and the government is determined to see it out."

The Bank of England yesterday refrained from any public action to buy pounds for D-Marks on the currency markets, an action which might help push up sterling's value and further stave off the possibility of a base rate rise.

It is thought the Bank will intervene in this fashion only if it becomes clear that the dollar/D-Mark intervention has failed to reduce the pressure on sterling in the ERM.

Sterling's weakness triggered a fresh attack on government policies by Mr Gordon Brown, the Labour opposition finance spokesman.

Mr Brown said the trade outlook and growing imports signalled "a fundamental weakness" in the economy that had to be addressed by a stimulus to investment and employment. Mr Norman Lamont, the chancellor of the exchequer, returned to London last night from holiday. His absence has sparked disquiet among the backbench MPs of his own Conservative party.

Mr John Carlisle, MP for Luton North, repeated his call of a month ago for the chancellor either to restore confidence or to be replaced. "I fear it is not just the policies that are in trouble but the personalities," he said.

Hurricane sweeps towards Gulf of Mexico cities

By Martin Dickson in New York, Norma Cohen in London and agencies

US CITIES along the Gulf of Mexico from Alabama to eastern Texas were on storm watch last night as Hurricane Andrew headed west after sweeping across southern Florida, causing at least three deaths and major property damage.

The hurricane was one of the fiercest in the US in decades and the first to hit Miami directly in a quarter of a century. In the Bahamas, government spokesman Mr Jimmy Curry said four deaths were reported on outlying eastern islands.

Initial reports suggested that the damage in Florida was substantially less than that inflicted by the last big US hurricane, Hugo, which hit South Carolina in 1989 and caused $4bn to $6bn of losses for the insurance industry.

There were reports, however, of severe damage to homes and yachts along a wide band of the eastern Florida coastline, and Mr Justin Balcombe of UK-based insurance adjusters Balcombe Group said total losses could exceed $15bn if business interruption claims were taken into account.

The brunt of the losses are likely to be concentrated among US insurers, industry analysts said yesterday.

Mr George Lloyd-Roberts, chairman of Lloyd's Underwriters' Non-Marine Association, said unless damage claims exceeded £3bn ($5.7), the Lloyd's insurance market would feel little impact.

Because the reinsurance of reinsurance risk – known as the retrocession market – has shrunk considerably in recent years, US insurers have placed far fewer of their risks through Lloyd's. "The effect on individual syndicates will be far less therefore than was the experience following Hurricane Hugo," he said.

Mr Roger Hill, insurance analyst at Warburg Securities, said he estimated that main line UK insurers face no more than £75m in damage claims so far. "At the moment we are relaxed about it," he said. The real question, he said, is the level of reinsurance available to the UK underwriters.

Ms Julianne Jessup, partner at insurance consultants Le Lisle Jessup Scott, said that since Hurricane Hugo, premiums for retrocessional insurance have risen 300 to 400 per cent and the number of syndicates willing to write such insurance has fallen sharply.

As a result, the major US property/casualty insurers who have the largest exposure to Hurricane Andrew's damage, have reduced their reinsurance cover or raised the loss level at which it becomes available.

There was particular concern last night that Andrew might head towards New Orleans, which is especially low lying and could suffer severe flood damage.

Continued on Page 12

Lawyer moves to impeach Collor

By Bill Hinchberger in São Paulo and Agencies

A SENIOR Brazilian lawyer said yesterday he would start impeachment proceedings against President Fernando Collor after a congressional inquiry linked the president to a corruption scheme organised by a close friend.

The investigative committee's draft report, read by Senator Amir Lando to a crowded Senate committee room in Brasília yesterday, said it had uncovered an operation which would "bring about illegal benefits" for "agents inside and outside the administration".

Even before the report's reading was concluded, Mr Marcelo Levenere, president of the Brazilian Attorneys' Association, said he would sign a request to launch the impeachment process. "Information that has already been made public is sufficient for the process to be opened," he said.

Any Brazilian citizen can launch the process, but Mr Collor's opponents were expected to seek a leading figure from a respected civilian organisation.

Mr Lando said in the televised reading that the committee had evidence of a multi-million-dollar corruption operation established by Mr Paulo Cesar Farias, Mr Collor's election campaign treasurer who is accused of graft, influence-peddling and tax evasion. Witnesses' testimony, he said, "allowed the conclusion that illicit acts were committed by Farias of which the president must necessarily have known." It could not "be hidden from the public that the president permanently, and over the course of two years, received undeserved economic advantages".

The document also charged that the president failed in his constitutional duty by not impeding the use of his name by third persons "for practices not in line" with high moral standards.

The report said the acts could represent common crimes, to be prosecuted through normal channels, or "crimes of responsibility", related to the president's activities in office, which could

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Unlikely economic strongman, Page 3

CONTENTS

German interest rates 'only one factor' in collapse of US currency

Bonn defends Bundesbank over $

By Andrew Fisher in Frankfurt and Christopher Parkes in Bonn

THE GERMAN government yesterday closed ranks with the Bundesbank and rejected charges that high interest rates set in Frankfurt lay behind the collapse of the dollar.

The independent central bank's interest rate policy might have been a factor, but US rates had been "uncoupled" with the aim of helping American exports, the finance ministry said yesterday. "You cannot make the Bundesbank solely responsible for what has happened."

Mr Rüdiger Pohl, one of the group of five leading independent economic advisers to the government, said that central banks' intervention in the market was helpful only as a means of hampering "overdone speculation". It could have no effect on the basic situation while the gap between US and German interest rates remained so wide.

The ministry accepted that the dollar's slump might hit exports, but not all the effects were negative, it said. The D-Mark's relative strength would reduce the costs of oil and other industrial imports, helping dampen domestic price rises, the ministry added.

Meanwhile, the Bundesbank remained tight-lipped. Other than confirming that it had intervened to help stabilise markets, and repeating earlier declarations that it had "no interest" in a weak dollar, it refused comment.

However, it has made clear in recent weeks that while it is uncomfortable with chaotic conditions in foreign exchange markets, it has no short-term plans to change its policy. A strong D-Mark supports the bank's aim of controlling inflation and attracts funds to help with reconstruction in the east.

Even though German ministers expect to come under pressure to use their influence with the Bundesbank, notably at the planned G7 meeting in Washington in mid-September, the finance ministry stuck to its established position.

Rebutting reports that relations between Mr Theo Waigel, finance minister, and the central bank were under strain, a spokesman said "this ministry has always supported the Bundesbank's independence".

Meanwhile, the BDI federation of German industry, warned of possible damage to the country's main export industries, notably vehicle manufacture, plant and engineering and aerospace.

The federation said companies would have to make special price arrangements with potential customers if they did not want to lose market share.

However, the German pharmaceutical industry yesterday reported a 6.7 per cent rise in turnover to DM13.9bn in the first half of this year, mostly thanks to exports.

Forecasting "moderate growth" for the year as a whole, BPI, the federal drugs makers' association, said exports had increased by 13.5 per cent to DM5.5bn. Sales for the whole of last year were DM31bn.

● Early indications of steadying west German inflation emerged yesterday in figures from North Rhine Westphalia, which reported prices up 0.1 per cent on the month to mid-August.

The year-on-year rate of inflation in the most populous state stood at 3.4 per cent.

FRANCE would prefer to raise interest rates, as it has in the past, to protect the franc rather than support any realignment of the ERM, according to economists in Paris, writes Alice Rawsthorn in Paris.

"I don't think France would have anything to gain from realignment, but it could lose a lot of political credibility if it was forced to abandon its 'franc-fort' stance," said Mr Robin Hubbard, chief economist at Paribas. "So far there isn't enough pressure from the dollar to make realignment a serious possibility. But if the French do vote 'no' in the Maastricht referendum next month, then France and Germany may have to choose between realignment and raising interest rates. If necessary the French probably would go for higher rates."

Swedish short-term money market rates up

By Robert Taylor in Stockholm

SWEDEN'S money markets yesterday reacted to a growing lack of confidence in the government's economic strategy with a rise in short-term money market rates. The equity market also responded negatively, with the general share index dropping by 4 per cent.

Mrs Anne Wibble, the finance minister, said there was no reason for the government to resort to crisis measures to restore confidence. But the main opposition Social Democrats called on Mr Carl Bildt, Sweden's Conservative prime minister, to break the country's political deadlock and start talks with them on a broad-based economic programme to reduce interest rates and the burgeoning budget deficit.

Forecasts suggest the budget deficit could rise as high as SKr140bn (£13.7bn) this year because of rising unemployment, a crisis in the banking and insurance sector and falling tax revenues due to stagnant domestic demand.

"The problem is political. There is declining confidence in the market that the government will be able to get its policies through," said Mr Nils Lundgren, chief economist at Nordbanken.

A weekend summit conference of Sweden's four-party, non-Socialist coalition government appears to have done nothing to lift the pessimism. But Sweden's main trade union organisation, the LO, has accepted Mr Bildt's invitation to discuss next year's wage round on 15 September, in a move designed to calm the markets.

Some observers, however, believe the government will have to take early action to head off a full-blown economic crisis and a massive outflow of capital.

Yesterday the central bank reported a capital outflow of SKr9.976bn last week, the largest weekly amount since last autumn. The bank can be expected to maintain a tough monetary policy to stem the outflow.

Further cuts in government spending might be announced soon but the markets are not convinced that ministers will stick to their strategy. "Confidence is something you have to earn and not just proclaim," said Mr Sten Westerberg, one of Sweden's leading investment bankers, yesterday.

In the current financial year the government agreed to make SKr14bn worth of cuts but has not yet succeeded in carrying through all of them. It had been hoped to save as much as SKr4.5bn by denying Swedes benefit for their first two days' sickness absence from work but ministers are uncertain whether this can gain the majority support in parliament.

The government relies on the maverick and populist right-wing New Democrats to get its programme through but that party's leaders remain hostile to what it is being proposed.

"What worries me is that the pressures on the government are all to spend more money, not cut their programmes," said Mr Ulf Jacobson, chief economist at Sweden's industrial federation.

The country's labour market board says it wants a further SKr8.8bn from the government, mainly to provide places on work preparation programmes and training for young people.

Russia seeks debt deal with G7

Moscow to put case for rescheduling at meeting in Paris this week

By Leyla Boulton and Dmitry Volkov in Moscow

RUSSIA IS to present its case for a rapid rescheduling of the former Soviet Union's foreign debt at a meeting of Group of Seven deputy finance ministers in Paris at the end of this week.

Mr Alexander Shokhin, the vice prime minister responsible for foreign economic relations, told a meeting of regional governors yesterday: "Russia will not make it to the end of the year without a postponement of payments.... The volume of payments which Russia owes exceeds its hard currency revenues by two to three times."

Without giving details, he said Russia was already $4bn short on payments owed, and for this reason, Mr Yegor Gaidar, the acting prime minister, had suspended repayments on commercial debts through Vneshekonombank, which manages the total foreign debt of around $70bn. "Our top priority is payments on grain credits," he said, which explained a "fire brigade" like approach in finding cash to pay arrears owed to Canada so that it would resume grain deliveries.

Mr Shokhin's remarks came as an International Monetary Fund delegation began a round of talks in Moscow with Mr Viktor Gerashchenko, central bank chairman, and government ministers about Russia's difficulties in meeting the terms of its first ever agreement with the Fund.

That agreement, which unlocked a first-tranche IMF credit of $1bn, was a minimal condition for Russia to hope for a full-scale foreign debt rescheduling from its western creditors. So far this year, official and commercial creditors have been rolling over payments of principal on medium-term debts incurred before January 1 1991 on a 90-day basis. The current deferral expires at the end of September.

But what was mooted by the G7 leaders at the Munich summit last July was a rescheduling over 10 years of both principal and interest payments falling due this year, with a grace period of 3-5 years during which nothing would have to be paid.

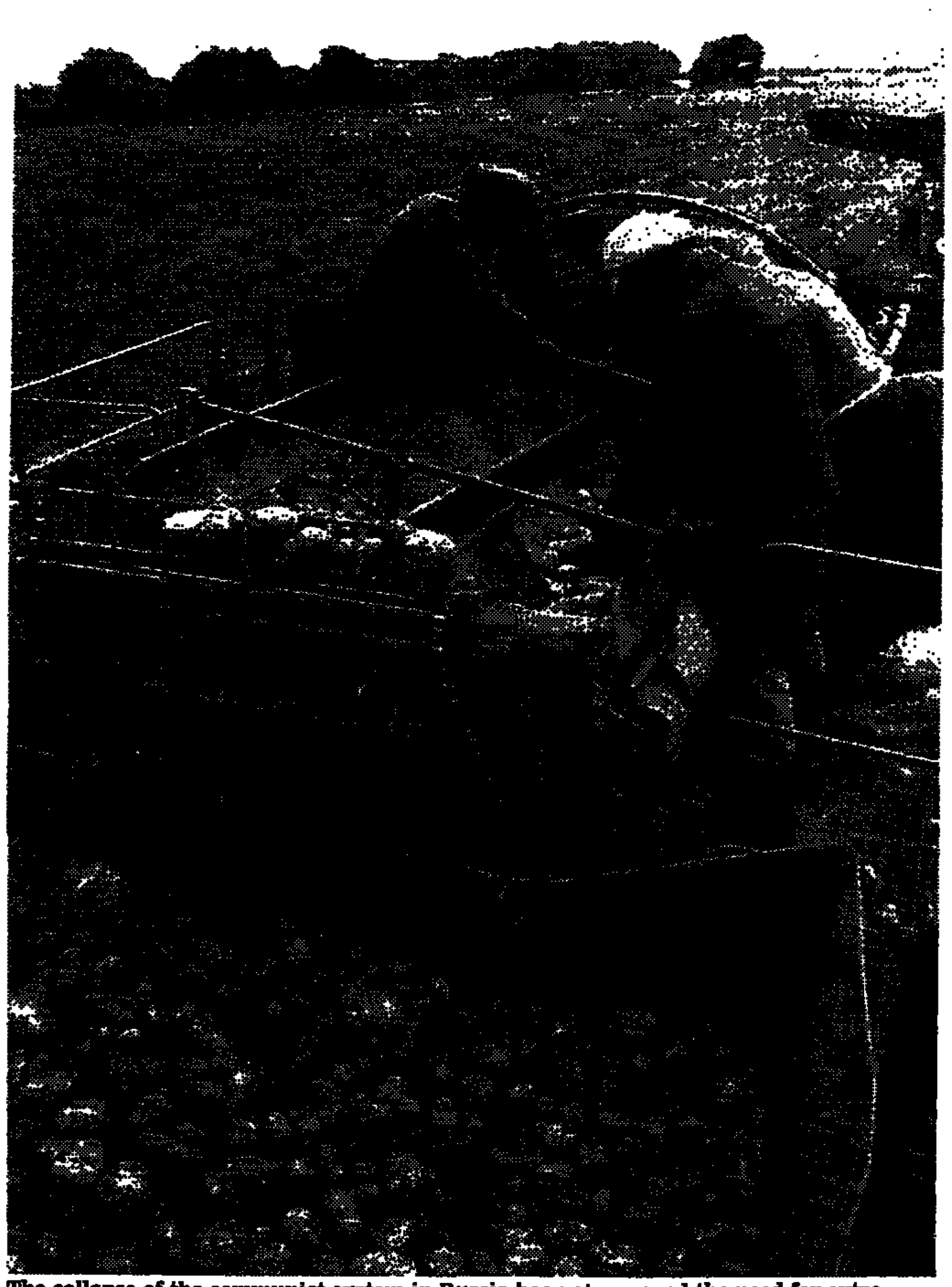
Such a rescheduling was to be conditional on continued progress in following the IMF agreement, and the final negotiation of a deal with the wider Paris Club of official creditors, to be followed by an obligation for commercial banks to offer similar terms.

But Paris Club negotiations, which have already been postponed until September, have looked increasingly shaky as Russia has fallen behind with payments excluded from the deferral, and with Mr Gerashchenko saying last week he wanted to renegotiate the IMF deal.

The commercial banks are also at loggerheads with their governments over whether such a rescheduling should be concluded, because they argue that they have much more to lose than governments.

A row over the IMF agreement within Russia is intimately linked to debates over how to settle Rbs3 trillion in arrears between state-owned enterprises. Which solution Russia chooses will have a direct impact on its ability to meet the targets set by the Fund for a budget deficit equalling 5 per cent of gross domestic product and inflation of 9 per cent a month.

● Mr Konstantin Kagalovsky, previously responsible for Russia's negotiations with international financial institutions, has been appointed Russia's executive director at the IMF in Washington. Mr Leonid Grigoriev, chairman of the Committee for Foreign Investment, is being tipped as Russia's director at the World Bank, once it manages to pay up its share of World Bank capital.



The collapse of the communist system in Russia has not removed the need for extra hands to get in the harvest. Here scientists from an aviation technology institute at Zhukovski help to sort potatoes at a nearby farm

Poll shows Russians want free sale of land

By Leyla Boulton

WHAT Russians most want in terms of privatisation is the only sort which is not yet allowed: the free sale of land.

In an unprecedented opinion poll on Russian economic reform, 67.81 per cent of respondents said the best result so far has been an elimination of shortages in shops. In second place, 19.06 per cent welcomed an increase in the number of retailing outlets as a result of the legalisation of street sellers and kiosks.

But the nation's top complaint, cited by 31.5 per cent of 4,000 respondents around the country, was the shortage of banknotes, which has meant big delays with pay packets. Second came the near-elimination of the value of savings as prices rise sharply while increases interest on savings accounts rises slowly. Another 18.5 per cent cited an increase in crime and corruption.

Completed just as the government announced a scheme to give away industrial assets through a mass voucher scheme, the poll showed that 53.6 per cent believed the free sale of land should form the basis of privatisation.

The government, which sees private land ownership as essential, has threatened to hold a referendum to challenge parliament's insistence that land cannot be resold for 10 years. The poll was conducted by the Centre for International Sociological and Market Research in Moscow.

Just over half the population believed assets should be given away. Only 6.89 per cent of the population supported the government's preferred method of auctioning them.

● President Boris Yeltsin has issued a decree reversing an attempt by Mr Ruslan Khasbulatov, the parliamentary speaker, to take over the Izvestia newspaper.

Izvestia yesterday published an order by the Russian leader telling the Committee for State Property to strengthen the hold of Izvestia's publishing house over its property.

Mr Khasbulatov, irritated by criticism from the paper, decreed this summer that it should be handed over to the Russian parliament, a move widely attacked as an attempt to curtail press freedom.

TV looms larger for British execs

By Gary Mead, Marketing Correspondent

THE daily grind is given new meaning for the managerial classes of west Europe, following publication today of research into the impact of various forms of media on executives in Belgium, France, Germany, the Netherlands and Britain.

While British executives on average appear to watch more television than their European counterparts – 31 per cent viewing two hours or more, against the five-country average of 22 per cent – they also work a shorter average day: nine hours and 24 minutes, against a 10-hour average. The French work longest: 10 hours and 36 minutes.

The fact that the British work shorter hours may have something to do with the much longer time it takes them to get to the office. Those British managers using two types of transport to reach the office generally spend an average 106.7 minutes on the journey, according to the survey. The European average is 53.7 minutes, and it takes the Germans only 48 minutes.

With all that time on his hands travelling to work, it might be supposed that the average UK executive would get stuck into his newspaper. Well, up to a point.... Only 30 of those 106.7 minutes spent daily on two methods of transport are employed scanning the columns. This is the lowest figure in any of the five countries, and compares with an average 36 minutes and a creditable 43 notched up by the Dutch.

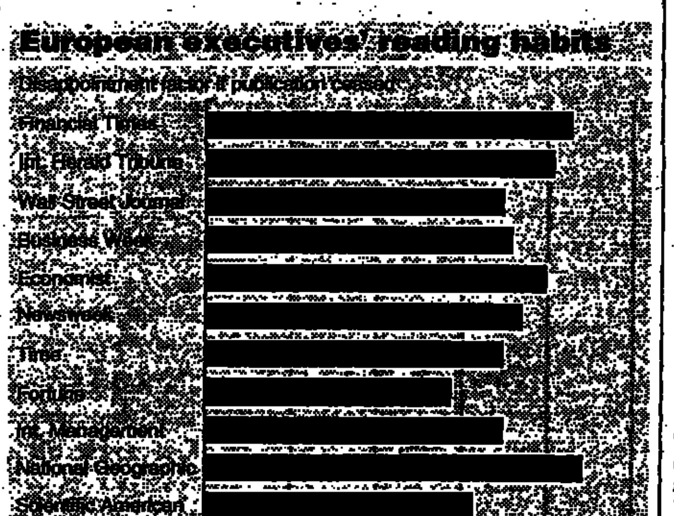
No prizes either for the TV-obsessed Brits in the magazine reading department – only eight minutes a day, against a German performance of 30.

MJP Carat International, which conducted the survey, also asked executives which regular newspaper or magazine they would miss most if it ceased publication. National Geographic topped the poll, with the Financial Times a close second. The US magazine Fortune was bottom of the list.

Executives' most notorious pastime – lunch – is obviously coming under pressure.

British managers were found to be the most likely to eat lunch at their desks; the Dutch most favour in-house canteens. A third of Germans claimed to take no lunch break at all.

"International Media in Perspective", MJP Carat International, Broadway House, 2-6 Fulham Broadway, London SW6 1AA.



Italy's TV channels refuse to switch off

By Haig Simonian in Milan

A NEW drama began on Italy's television screens yesterday as hundreds of broadcasters, outlawed earlier this month, vowed to continue transmitting in spite of a deadline to close at midnight last Sunday.

The sword has been hanging over many of Italy's commercial broadcasters since a 1990 law aimed at tidying up the country's crowded airwaves obliged the government to allocate frequencies by last Sunday. Formalising the chaotic broadcasting rules had often been promised, but never delivered as ministers shied away from tackling such a highly-charged political issue.

In the 12 years since private stations started transmitting, the country has developed a patchwork of broadcasters ranging from slick national channels to tiny low-powered local stations, some of which are believed to be fronts for organised crime.

The list of concessions agreed this month by the new government of Mr Giuliano Amato gave the green light to the three private channels controlled by Fininvest, the holding company of Mr Silvio Berlusconi. Other big private broadcasters allowed to continue were Rete A, Telemontecarlo and, subject to certain conditions, the three Tele + pay TV channels, established by Mr Berlusconi, in which he is now only a minority shareholder.

However, almost 800 local applicants were excluded. In the Lombardy region alone, Italy's richest, only 47 of the 181 stations which sought authorisation were approved.

Hundreds of stations have vowed to carry on regardless, ahead of what is likely to be a heated parliamentary debate. The local broadcasters have dismissed the list as arbitrary and unfair. Meanwhile, members of the Democratic party of the Left (PDS), the former communists, claim the concessions have given too much power to Mr Berlusconi.

Dozens of local stations have already banded together into a new committee and their campaign is set to gather momentum when others join as expected at a meeting in Bologna later this week.

Banker owns to theft of BFr700m

A FORMER financial controller of Belgian state bank Credit Communal has confessed to stealing BFr700m (£12m) in frauds stretching over more than 35 years, the Brussels crown prosecutor's office said yesterday, Reuters reports from Brussels.

Prosecution officials said yesterday that Mr Jacques Labar, 69, was being held on fraud charges. He had given himself up on Friday, pleading remorse and inability to pay back loans he had coaxed out of customers with the promise of high interest rates.

Credit Communal said it had learned Mr Labar had carried out the frauds by wrongful use of the bank's name and documents and by falsifying the signature of a bank officer. The money had been spent on housing, cars and holidays.

Mr Labar retired in 1989 as inspector-general, in effect the bank's top auditor in charge of fraud prevention, but he stayed on in an advisory capacity.

Balkan sights set on Serbia's Kosovo province

It may be a key to peace or a new focus of bloodshed, writes Laura Silber

AS United Nations and European Community diplomats try to work out a long-term solution to the war in the former Yugoslavia, many diplomats fear that in the short term Serbia's southern province of Kosovo could be the next focus of bloodshed. But despite these fears, Kosovo could hold the key to peace in the Balkans.

Any chance for peace rests on working out out a compromise between Kosovo's 2m Albanians, who demand independence from Serbia, and Serbs who insist on retaining the present status of the province – which has no autonomy, no ethnic rights and no working parliamentary democracy.

Without such a compromise between Kosovo and Belgrade, the Serbian capital, ethnic Albanians have few illusions about the region's fate. "If Kosovo erupts it could mean war throughout the region," says Mr Veton Surroi, an Albanian leader whose views are shared by Albanians and Serbs in the province.

In an attempt to step up international pressure on Serbia to open the way for dialogue with Kosovo, Lord Carrington, chairman of the European Community-sponsored peace Conference on Yugoslavia, last month made a trip to Belgrade to act as a mediator between Kosovo and Serbia, led by President Slobodan Milosevic.

Mr Milosevic, intransigent as ever, dismissed Lord Carrington's mediating attempts as "interference in Serbia's internal affairs".

However, Kosovo has managed to remain outside the war which engulfed Croatia and Bosnia-Hercegovina. This week's London peace conference could determine whether it continues to do so.

Mr Surroi believes the ethnic Albanians should be included in talks about their future status, and not be confined to the sidelines of the conference - their current status. But Mr Vukasin Jovanovic, a Kosovo Serb politician who is also deputy speaker of the Serbian parliament in Belgrade, says any invitation to the ethnic Albanians to attend the talks amounts to encouraging "the hopes of Albanians to secede from Serbia".

Essentially, the view among Serb leaders in Belgrade is that they will continue to rule out any discussion on the status of Kosovo as long as Albanians call for independence from Serbia.

Moreover, any signs of compromise on the part of Belgrade with Kosovo could in fact undermine the policies of Mr Milosevic.

After all, it was Kosovo which Mr Milosevic exploited in his bid for power in the late 1980s. Under the pretext of protecting the small ethnic Serb and Montenegrin minorities in the province against alleged discrimination from the ethnic Albanians, he vowed to bring Kosovo back to the Serbian fold.

The late President Josip Broz Tito had carved out of Serbia the southern province of Kosovo and the northern province of Vojvodina, as a means of containing the influence of Serbia throughout the Yugoslav federation. Both provinces were granted a wide degree of autonomy from Belgrade. In particular, Kosovo is viewed as the cradle of Serbian culture.

Mr Milosevic, who sought to redress this perceived historical grievance, moved to curb the autonomy of Kosovo.

By 1989, Serbia crushed mass demonstrations in Kosovo, stripped Kosovo of its autonomy, and imposed direct rule from Belgrade. Tens of thousands of Albanian professionals were sacked and replaced by Serbs.

In response to the imposition of a virtual police state throughout this poor province, the ethnic Albanians built their own "shadow" state. Albanians now have their own government, denounced as illegal by Belgrade, their own schools, and their own hospitals.

The question facing their leaders is how long they can pursue the creation of their own, unrecognised state before public opinion among the Albanians becomes impatient with, or radicalised by, Serb rule and repression.

Certainly, the appalling destruction and bloodshed in Bosnia has helped consolidate the policy of non-violence propounded by Mr Ibrahim Rugova, the Kosovo president elected in last May's unofficial elections. Moreover, Albanians say, in the event of a conflict with Serbia, there would be a bloodbath in Kosovo.

"Albanians are not preparing for war. They have seen what happened in Bosnia," says a western diplomat.

Serb politicians claim Albanian households are concealing arms. But Mr Jovanovic says: "Albanians do not have arms for a serious war."

Serbia is reported to have armed Kosovo's Serbs, who vow to keep control of the province at all costs.

"Many Serbs want a 'final solution'. Serbs want a war to solve the problem of not being able to live together [with the ethnic Albanians]," admits a Serb official in the Kosovo capital of Pristina.

Yet despite the militancy of Kosovo's Serbs, any decision to change Kosovo's status would be made not by them but by Belgrade.

Whether they would accept any compromise dictated from Belgrade is doubtful.

Mr Milan Panic, the prime minister of unrecognised Yugoslavia, has promised to lift the "special measures" [illegible] against Kosovo as a [illegible] police state although Serb politicians [illegible] were ever applied. But compromise appears incompatible with the climate of [illegible] between the two communities.

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Caracas goes for austerity programme

By Joseph Mann in Caracas

VENEZUELA'S President Carlos Andrés Pérez has announced a series of measures designed to cut government spending, encourage more private investment in industry, and speed government asset sales.

The measures, unveiled just before the Congress begins debating bills on financial reform, new taxes, and the central government budget for 1993, were meant to show the administration is serious about curbing spending.

The government is facing a large fiscal deficit this year (forecast at 5 per cent of GDP or more), which is helping to keep Venezuela's inflation unacceptably high. The government is trying to cut inflation from its 1991 level of about 30 per cent.

The proposals include a freeze on federal government hiring, and reorganisation of the agriculture ministry aimed at cutting 29,000 jobs by next year. The government would not start any new public works during his present term, which ends in February 1994, Mr Pérez said.

The national oil company PDVSA is to be asked to cut operating and personnel expenses in 1993 by $373m, and the armed forces will be told not to buy any new weapons systems.

The state-owned petrochemical producer, Pequiven would no longer invest in new projects, and should carry out the rest of its current $7.6bn investment programme with the support of local and overseas private investors.

Pequiven should "open itself up to private capital" and sell shares on leading international stock markets, the president declared. It was not immediately clear if shares would be sold in Pequiven itself, a group of joint venture companies in which it participates, new ventures, or a combination of these.

The president called for acceleration of Venezuela's lagging privatisation programme, and said that Alcasa, a government-controlled aluminium producer, and two divisions of the state steelworks Sidor, would be privatised. New projects in aluminium would be developed entirely by private investors.

Many of the government's fleet of aircraft would be sold through international bidding.

One announcement in particular, a reduction in the use of police and state security agents as bodyguards for government officials, their families and others, was aimed at easing public criticism of the government at a time when crime is a serious problem for ordinary citizens.

Surinam arms handover

REBEL groups in Surinam are surrendering weapons to representatives of the Organisation of American States following a peace agreement with the government, writes Canute James.

The deal ended eight years of civil unrest in the republic, which forced thousands of Surinamese to seek refuge in French Guyana. Mr Ronny Brunswijk, leader of Jungle Commando, the main rebel group, said democracy and civil rights for the country's bush negroes had either been achieved or promised.

The truce promises economic relief for the former Dutch colony of 400,000 people. At the height of the fighting, three years ago, rebel groups targeted bauxite mines and refineries and electricity generating stations, setting back the already weak economy.

The government has agreed to establish special economic zones to benefit communities which supported the rebels.

Moreira: won confidence of international bankers

Brazil's unlikely economic strongman

Marcilio Marques Moreira is seen as crucial for financial stability, writes Stephen Fidler

MR Marcílio Marques Moreira is an unlikely strongman. Diffident in manner, quietly spoken and polite, his demeanour has less the flavour of a dynamic technocrat, more that of a kindly schoolmaster. But, in the view of many Brazilians, on his shoulders hang in large measure the slim chances of short-term stability for Brazil's giant economy.

He took office in May 1991 at the age of 59, a stark contrast with his predecessor, the fiery Ms Zelia Cardoso de Mello. She had introduced two shock plans and a freeze of the nation's financial assets; Mr Moreira promised nothing more than a steady work-out of Brazil's economic problems and an absence of shock plans. She would lose her temper and use language that would anger her foreign counterparts; his approach, deliberate and diplomatic, gained him the nickname The Tamer of Turtles. She offered confrontation; he conciliation.

A former banker and diplomat – before his appointment he was ambassador to Washington – he arrived in office with no backing from Brazil's powerful political factions. But he has since built a constituency, not least among business. A survey of executives in São Paulo last week suggested 80 per cent see his continuation in office as important. The news magazine Veja, which often reflects the views of the influential São Paulo business community, ran a front page picture of the minister in May beside the headline "Bad with him; worse without him".

Mr Moreira and his economic team have also won the confidence of international bankers. Without him, many bankers believe the debt restructuring agreement the government is now negotiating would collapse. A detailed agreement with leading bank creditors was said last week to be perhaps two weeks away.

The support of the International Monetary Fund will be required if this accord is to go ahead, and the IMF will have to be convinced that government spending is under control. Mr Moreira is said to be strongly resisting efforts by others in the government to increase spending on projects designed to secure President Fernando Collor the congressional support he needs to avoid impeachment.

With the country transfixed by the corruption allegations surrounding the president, Mr Moreira has begun a damage-limitation exercise.

Hardly able to advance his economic reform, he is now attempting to protect progress made to date in the hope that when the political crisis is resolved he can once again move forward to stabilise the economy – which means stabilising government finances.

Progress in his central aim of bringing down the Brazilian inflation rate has been almost non-existent. Inflation is still running at 22 per cent a month, despite his good intentions, although the corruption scandal has undoubtedly affected inflationary expectations.

A slump in tax revenues – the scandal has given people an excuse not to pay taxes to government officials has also meant the government missed the targets under its IMF standby programme for the second quarter in a row.

On the positive side, Brazil's foreign exchange reserves have soared to $20bn, giving the government ammunition against speculators in the foreign exchange markets.

According to Mr Arminio Fraga, director of international affairs at the central bank in Brasília, the government has also increased its forecasts of this year's trade surplus, to $15bn or more against $10.6bn in 1991.

In Mr Moreira's shoes, many other ministers would have resigned by now. The minister, who has in the past expressed shock at examples of Brazilians' lack of morality, stays on, apparently out of a strong sense of duty. "When the seas are rough, people who act responsibly have to maintain their composure," he said last week.

He is probably now a more central figure in the government than the president who appointed him. Even if Mr Collor survives, the president will almost inevitably be fatally weakened. If the president goes, his replacement – Vice-President Itamar Franco – has said he would like to see Mr Moreira continuing in office.

It is not yet possible to divine what kind of government Mr Franco would run. A politician of traditional nationalist mould, he is an unlikely natural ally of Mr Moreira, and Mr Franco would have to build a political coalition within Congress. Some of Mr Moreira's supporters fear that if he were to take a job in the Franco government – to which he would add gravitas – he might well be dumped once he had outlived his usefulness.

Those who know Mr Moreira say that if he faces having to abandon his principles, in whatever government, he will quit. His continuation in office is thus a sign economic discipline has not been completely abandoned during the political crisis.

A resolution of the crisis is still possible within a month or two, one senior administration official said yesterday. If this happens, it would have set back the economic reform programme by six months – unfortunate but not disastrous. Mr Moreira's nightmare must be of a crisis that drags on for years as Mr Collor struggles to retain his hold on office.

Investigators highlight operation to sell favours

By Bill Hinchberger and Agencies

A COMMITTEE of legislators investigating allegations of government corruption in Brazil yesterday reported the establishment of an organised operation to sell favours and rake off commissions from state contracts.

The committee's report concluded that President Fernando Collor must have known of the operation and had received "irregular financial benefits".

The 200-page report was read by its author, Senator Amir Lando, to a packed and nationally televised session in a Senate committee room.

Senator Lando said the committee had evidence of a multi-million-dollar corruption operation established by Mr Collor's election campaign treasurer, Mr Paulo Cesar Farias.

The senator outlined a corruption scheme which, he said, was set up by Mr Farias in the Health Ministry, and detailed numerous other tax and legal irregularities in the running of Mr Farias' two companies, EPC and Brazil Jet.

In outlining the activities of EPC, which was said to provide consultancy services for several Brazilian companies, Senator Lando said: "It cannot be verified that any assistance or services were provided to the companies that paid EPC."

The sudden wealth of Mr Farias' companies, he noted, seemed to coincide with Mr Collor's political success, first as governor of the state of Alagoas and then as president.

Witnesses' testimony "allowed the conclusion that illicit acts were committed by Paulo Cesar Farias which the president must necessarily have known," Senator Lando said.

The draft report said that Mr Collor was remiss in not carrying out his constitutional duty to ensure high moral standards and stop his name being used by others for financial gain.

"It has become evident that the president of the republic, on a permanent basis and during more than two years of his period in office, received irregular financial benefits," the report said in its conclusions.

The legislators' report said: "Those who knew the rules. . . became 'merchandise' for which businessmen and others were willing to pay incredible and unjustified prices."

Mr Farias, acting through "phantom" depositors who used fake names and numbers, deposited millions of dollars in a bank account linked to the president, the report said.

Senator Mauricio Correa, head of a sub-committee set up to examine bank accounts, detailed evidence linking Mr Collor to Mr Farias.

Senator Correa said documents showed that Mr Farias had used false bank accounts to funnel millions of dollars to Mr Collor via third parties. Among the cheques he listed were:

- More than $11m for building work and landscaping at Mr Collor's private residence.
- Payment of a bill for one of Mr Collor's private cars.
- Payment of over $2.3m to Mr Collor's private secretary, Ana Maria Acioli Gomes, to pay the president's household expenses.
- Numerous other payments to Mr Collor's first wife, mother, spokesman, secretary, butler and other staff members.

The committee's report listed dozens of payments and cheques from Farias-owned companies or employees to Collor associates.

The panel said its report to the prosecutor would include 400 kilograms of cheques and documents.

"It's an immense universe," Senator Lando said. "We have seen just one moment in this huge swamp."

The committee's report follows nearly three months of hearings into allegations that Mr Farias ran a corruption racket.

Fernando Collor

Build-up of allied air shield for Shias faces delays

By Our Foreign Staff

US DEFENCE officials yesterday said the US military was ready to enforce an allied ban on Iraqi warplane flights over southern Iraq, but diplomats in the Gulf said the allied plan was facing delays.

The unnamed defence officials, quoted by Reuter news agency, said the aircraft carrier Independence, carrying fighter and reconnaissance aircraft, headed north from Abu Dhabi in the Gulf on Sunday. US Air Force fighters were also in position in the region, they said.

The readiness of the US forces contrasted with indications that the timetable for deploying British and French fighter aircraft had not been finalised and that the siting of operational bases in the Gulf had not been confirmed.

The reports from Washington indicated that President George Bush might delay announcing that the US, Britain and France would enforce a no-fly zone to protect Iraq's dissident Shia Moslems south of the 32nd parallel. Initially, Mr Bush had planned today to present a united allied front to shield the Shias by formally warning Iraq not to attack them from the air.

Gulf-based officials and diplomats, quoted by Reuters in Kuwait, said that delays had arisen because of widespread Arab concern that the no-fly zone could lead to the dismemberment of Iraq.

In London, the Foreign Office insisted that consultations among the coalition partners about the mechanics of the operation, such as the precise area of the exclusion zone, were continuing, and emphasised that there had been "just a few working days" since last week's initial announcement.

Acknowledging that there had been reports of Middle East concern about the future of Iraq, officials drew attention to the strong statements last week by the British and Americans about the allies' absolute belief in the integrity of Iraq.

Britain has committed six Tornado aircraft to protecting the Shias, but there has been no announcement on the timing of their departure or where they will be based.

The French Defence Ministry said yesterday that no decision had been taken as to where its Mirage 2000 jets would be stationed in the Gulf region.

Saddam condemns 'profiteers' as sanctions bite hard

By Tony Walker in Cairo

A DEFIANT President Saddam Hussein of Iraq, under renewed pressure from the west, has vowed to intensify a stringent campaign against those he describes as profiteers, amid signs that United Nations economic sanctions are biting deeper.

Mr Saddam pledged at an emergency cabinet session on Sunday that he would continue his "war on behalf of the poor", but recent visitors to Iraq report that prices of scarce commodities have "gone through the roof" and shortages are becoming more widespread.

Further draconian measures to root out "hoarders and monopolists" were reported in the Iraqi press yesterday. They follow an emergency "plan of action" to cope with UN sanctions.

The "war on behalf of the poor" campaign will now extend to employees of Iraq's financial institutions who will be obliged to fill in special forms "declaring their movable and immovable property". Employees of Iraq's two state banks will be required to disclose their bank balances and possessions.

"The government should see to it that nobody accumulates a fortune without the required national and moral right," Mr Saddam told cabinet.

The execution last month of 42 traders accused of profiteering has brought much private business activity to a halt, further adding to the shortages. Belated action by Jordan to stop a steady trickle of trade into Iraq in defiance of UN sanctions has also taken its toll.

Amman-based Iraqi merchants say that officials have been pressing them to resume trading with assurances that they would come to no harm, but there are few takers.

Members of Mr Saddam's immediate family are reported to have visited Amman recently in an effort to regenerate cross-border trade.

Iraq's announcement last week that it was banning the import of 150 "luxury" items ranging from tomatoes and bananas to whisky, beer, radios, refrigerators and computers suggests that Baghdad is running very low on cash.

Hundreds of Iraqi Shias shout their support for Saddam Hussein in the marshland town of al Huweizah on Sunday

Arabs divided over worth of 'no-fly zone' in Iraq

Tony Walker reports from Cairo and Roger Matthews from Washington

ALLIED plans to declare a "no-fly zone" over southern Iraq have encountered unexpectedly deep misgivings from across the Arab world, including the capitals of states which joined the US-led Gulf war alliance.

The issue is also again exposing divisions among the Arabs. The Gulf states, notably Kuwait, maintain an any-methods approach in dealing with Baghdad, whereas other countries, including Syria, Egypt and Algeria, fear the fallout from another damaging confrontation between Iraq and the west.

Seen from Damascus and from Cairo, the allies are embarking on a new and risky venture whose outcome is impossible to predict and whose consequences could be very grave for the region at a time when it is being buffeted by all sorts of cross-currents – from Islamic fundamentalism to deepening economic problems. Looming large is the spectre of Iran profiting from Iraq's possible descent into chaos.

Among the Gulf allies, Syria has been the most outspoken in its opposition to the proposed exclusion zone. In Damascus on Friday, Mr Farouk al-Shara, the foreign minister, said his country "believed that any step which might threaten the unity of the Iraqi lands would be unacceptable and of grave concern for us in Syria".

Egypt, America's closest Arab ally, has been more circumspect, but it broadly shares Syria's concerns; although its criticism of western plans has been stated more obliquely. This task has been left to newspaper commentators who invariably reflect the views of the presidency.

"Dismembering Iraq does not necessarily mean that Saddam Hussein will be ousted," wrote Mr Samir Ragab, the paper's editor-in-chief in Saturday's English-language Egyptian Mail. "It is possible that the unified country will be divided into three parts, while Saddam retains power. What will be the case then?"

Concern that the allies have not given due consideration to the consequences of a further escalation causes alarm in Cairo and Damascus. Among questions being asked is: What action will be taken by the west if Mr Saddam deploys columns of tanks and artillery against Shia rebels in southern Iraq in a ruthless campaign to eliminate the resistance? Would the allies feel obliged, for example, to strafe and bomb Iraqi positions?

Gulf rulers, on the other hand, appear less squeamish than their Egyptian and Syrian colleagues about possible fallout from renewed conflict.

In London on Friday, the Saudi Arabian-owned Al-Hayat commented that the allies had now realised that "bolder" steps were needed to get rid of Mr Saddam. The paper called for the abandonment of the "superstition that the survival of the regime is essential to guarantee the unity of Iraq".

In this case, Al-Hayat reflected King Fahd's hawkish views, in contrast to those of Prince Saud al-Faisal, his foreign minister, who is understood to be warning of the dangers of a break-up of Iraq and further opportunities that would then be created for Iran.

Tehran has not declared specifically its opposition to the "no-fly zone" proposal, but at the weekend its Supreme National Security Council stated that "the Islamic Republic insists that Iraq's territorial integrity and independence should not be violated under any circumstances".

Ayatollah Mohammed Baquer al-Hakim, the Iran-based Iraqi Shia leader, endorsed last week the creation of "safe havens" in southern Iraq without reference to plans by the allies to use warplanes to enforce an exclusion zone.

Whatever Iran may be saying publicly about allied plans, however, it cannot be too displeased about the ban on Iraqi fixed-wing aircraft and helicopters, since it is deeply involved in supporting Shia rebels in southern Iraq with both weapons and ground support. Estimates of Iranian revolutionary guards who have crossed into Iraq range up to 4,000.

Bush pins hopes on work training

By Jurek Martin in Washington

PRESIDENT George Bush tried to put some flesh on his domestic policies yesterday by unveiling new job training programmes designed to make the American labour force more competitive.

His grandiosely titled New Century Workforce, an amalgam of new and existing training schemes, would not take effect until 1994. It involves, assuming Congress goes along, new federal spending of as much as $6bn, to be offset by unspecified budget cuts elsewhere, and preserves a number of programmes the administration had previously tried to kill off.

One feature is to combine youth job training with drug treatment at military installations which are to be made redundant as defence spending falls. Another would provide $3,000 in retraining vouchers for those laid off in industries adversely affected by changing international competition.

The policy package is designed to answer criticisms by Mr Bill Clinton, the Democratic presidential candidate, that Mr Bush is ignoring fundamental economic questions in his campaign. It is also a response to the specific concern that the North American Free Trade Agreement with Mexico and Canada would displace US workers.

In a speech in New Jersey yesterday morning, Mr Bush predictably contrasted his new scheme with the proposals of Mr Clinton, which he said required new taxes and would destroy jobs, not generate them. Its thrust, he said, was "to empower people with jobs instead of empowering bureaucracies with people".

Most of the public opinion polls conducted after last week's Republican convention in Houston continue to suggest that economic problems are the president's Achilles heel in the campaign. A Time magazine survey found only 22 per cent giving him good marks for handling the economy, whereas 61 per cent approved of his management of foreign policy.

In general terms, the polls are beginning to suggest that the president did not get quite the "bounce" out of his convention that Mr Clinton got out of the Democrats' gathering in New York last month. Newsweek gave Mr Clinton a 53-39 point edge, down a little from 53-36 a week earlier, while CNN-USA Today had it at 52-42 (compared with 56-37). Time elicited a 54-40 negative response to the question "does Mr Bush deserve to be re-elected?"

NEWS IN BRIEF

Lebanese Speaker claims vote-rigging

Mr Hussein Husseini, the Pro-Syrian Speaker of the Lebanese parliament, resigned yesterday, accusing his political opponents of vote-rigging.

Earlier, the Shia Moslem speaker urged the government to scrap Sunday's polls in his east Lebanon district after the pro-Iranian Hizbollah (Party of God) took a commanding lead in Lebanon's first general election in 20 years. Mr Husseini accused the group of rigging votes.

Interior Minister Sami al-Khatib dismissed a request that counting be suspended in the Bekaa Valley's Baalbek district where Mr Husseini, a traditional leader in the largely Shia area, headed a list of 10 pro-Syrian candidates.

Husseini voting on Sunday

Iran to supply gas to Azerbaijan

Iran will supply natural gas and other fuels to the Nakhichevan region of Azerbaijan, the Iranian news agency IRNA reported yesterday.

Nakhichevan, sandwiched between Iran, Armenia and Turkey, is facing a fuel shortage because of a blockade by Armenia, which has been fighting an undeclared war with Azerbaijan over the disputed enclave of Nagorno-Karabakh.

Nakhichevan's President Geidar Aliyev asked Iran's Oil Minister Gholamreza Aqazadeh in Tehran on Sunday for natural gas, petrol and fuel oil supplies, the agency said.

UN studies Khmer Rouge terms

The United Nations is studying new conditions set by the Khmer Rouge for the guerrilla group to implement Cambodia's peace accords, agencies report from Phnom Penh. Khmer Rouge leader Khieu Samphan delivered the conditions to a meeting of Cambodia's Supreme National Council (SNC) in Phnom Penh. The Khmer Rouge wants the SNC's power increased by the establishment of consultative committees to work with the UN in supervising the administration and policing of the four rival factions.

ANC to join exploratory talks

The South African government is to hold exploratory talks with the ANC and the Pan-Africanist Congress during the next 48 hours, Reuter reports from Johannesburg. Government spokesman Izak Retief said Mr Roelf Meyer, the chief government negotiator, was due to meet a PAC delegation yesterday and would probably resume direct talks with ANC secretary-general Cyril Ramaphosa today.

Mr Retief said Mr Meyer also planned talks soon with a breakaway right-wing party and with Mr Andries Treurnicht's Conservative Party, which might be ready to reverse its earlier refusal to join the talks.

FBI thwarts Jardine share fraud

By Simon Holberton in Hong Kong

THE US Federal Bureau of Investigation has thwarted a HK$200m (US$25.9m) attempt to sell forged share certificates of Jardine Matheson Holdings, one of Hong Kong's leading companies.

Jardine officials said they were informed late last week of an attempt to pass nearly 3.8m of the company's shares. Both the Hong Kong and London stock exchanges were informed.

The number of arrests in the US is unknown.

Mr Neil McNamara, Jardine's company secretary, said the Hong Kong police had told him the FBI was confident all forged share certificates had been recovered.

Mr McNamara pointed out, however, that the forged scrip – 110,000 certificates in denominations of 30,000, 35,000 and 40,000 shares – was untradeable in the form sold to the FBI.

Jardine's shares are tradeable only in lots of 400 shares. Anyone trying to sell the forgeries through the stock market would have had to present them to the company's registrar for conversion. They would then have been rejected, Mr McNamara said.

Relations herald 'beginning of the end of the cold war in East Asia'

Seoul hails new ties with Beijing

By Our Foreign Staff

PRESIDENT Roh Tae-woo of South Korea yesterday hailed the normalisation of relations between his country and China, saying it had removed the last external constraint on peaceful reunification of the Korean peninsula.

"The normalisation of ties between our two countries marks a significant turning point in world history in that it heralds the beginning of the end of the cold war in East Asia," Roh said in a televised speech in Seoul.

Establishment of diplomatic relations, long expected but formalised in a signing ceremony in Beijing yesterday, is a considerable coup for both countries and a setback for their respective rivals, Taiwan and North Korea.

It will further enhance China's influence in Asia at a time of changing political relationships in the region and should boost already growing trade and investment links. Although Beijing insisted yesterday that its relations with North Korea would remain unchanged, the move will inevitably raise pressure on Pyongyang to be more accommodating in dealings with Seoul.

North Korea has not commented on the news that its chief backer has consummated a relationship with the south. But an early test of its reaction could come later this week in scheduled talks between the two countries at the border village of Panmunjom.

Luisetta Mudie writes from Taipei: Taiwan yesterday broke off diplomatic relations with South Korea and is to take retaliatory measures following the normalisation of relations between Seoul and Beijing.

Mr Frederick Chien, foreign minister, called the move "extremely unfriendly", and said Seoul had forgotten the tens of thousands of South Koreans killed by Chinese troops in the Korean war.

Meanwhile, a handful of protesters gathered outside the South Korean embassy in Taipei at the weekend, burning a Korean flag and hurling eggs and stones at the buildings.

South Korea was the last Asian nation formally to recognise the Taipei Nationalist Kuomintang government as legitimate rulers of China. All but a handful of countries have now switched recognition to Beijing, which in turn opposes dual recognition.

Preferential import tariffs and quotas on South Korean goods will be abolished, and direct flights between the two suspended from September 15. However, a delegation from Seoul due in Taiwan in early September is expected to discuss a framework for unofficial ties to be set up.

S Korea unveils stock market aid measures

SOUTH KOREA yesterday unveiled long-awaited measures to boost the ailing stock market, but analysts predicted the multi-billion-dollar rescue plan would give plummeting prices only a short-term fillip, Reuter reports from Seoul.

Prices soared temporarily when Rhee Yong-man, the finance minister, announced the plan to inject more than three trillion (million million) won ($3.8bn) into the bourse.

But the stock market index settled only a few points above the morning opening level and closed just 12.12 up at 483.73.

"The government has taken these measures because the market has been languishing in the doldrums for a long time and investor sentiment has shrunk hugely," Rhee said.

The measures include attempts to lower money market rates and provision of tax incentives to investors.

Banks and insurance companies will be required to buy stocks worth 1.5 trillion won and 700bn won respectively over the next six months. The government will also encourage pension funds to buy stocks worth 1.2 trillion won over the next 12 months.

The Korea Securities Stabilisation Fund, set up in May 1990 to revitalise the market, will also be encouraged to raise 500bn won for stock-buying.

Investors have been anticipating for several weeks a government bail-out of the bourse, now at its lowest for nearly five years.

The bourse index, which peaked at 1,077.77 in April 1989, has dropped by about one-third of its value since the beginning of the year.

"The market is unlikely to be boosted immediately. Investors are accustomed to shock remedies rather than a medium- or long-term cure," a Seoul securities analyst said.

See World Stock Markets Page

Kabul exodus grows as rockets pound city

By Farhan Bokhari in Islamabad

KABUL continued to be pounded by rockets yesterday as fighters loyal to dissident mujahideen leader Gulbuddin Hekmatyar continued their assault on the Afghan capital.

A grain silo was reported hit and set on fire in the attack, raising fears that the city's food shortage could become worse.

Western diplomats were among hundreds of people trying to flee to safe areas in the Afghan countryside. More than 100,000 people have left Kabul since the dissidents began unleashing continual rocket attacks two weeks ago.

French and Italian diplomats and the Bulgarian ambassador, who was injured by shrapnel when a rocket hit his embassy at the weekend, left for Termez on the Uzbekistan border.

The International Committee of the Red Cross (ICRC) handed overall responsibility for its surgical hospital to the Afghan Health Ministry yesterday, according to news agency reports. But Mr Armin Eric Kobel, the local Red Cross chief, said the ICRC would keep 21 international staff in Kabul.

All 17 hospitals in Kabul have been hit by the fighting and there is an acute shortage of medicines. Only eight of Kabul's 17 hospitals are functioning, according to United Nations officials.

The UN has moved all its international staff out of Kabul because of the dangers.

The UN, meanwhile, is finalising a $10m international appeal for humanitarian assistance for Afghanistan. But western diplomats are concerned that donors may hold back from making commitments until the situation has stabilised.

There was an unenthusiastic international response to an appeal in recent months for $180m for rehabilitation and reconstruction of Afghanistan. So far, only $42m has been pledged.

The UN secretary general's personal representative on Afghanistan, Mr Sotirios Mousouris, said in an interview last night: "It is very unfortunate that when hope finally seemed to come to Afghanistan, this conflict makes the efforts of the international community very difficult."

The dissident mujahideen launched their assault to back their demands for the withdrawal and disarming of a militia group that switched allegiance from former President Najibullah to the mujahideen last April.

W Saharan referendum plan fails

By Michael Littlejohns at the United Nations, New York

UNITED NATIONS attempts to promote a referendum on the future of the former Spanish territory of Western Sahara have again failed and the settlement plan, in which this is a key element, may have to be revised or abandoned.

Mr Boutros Boutros Ghali, the UN secretary-general, told the Security Council in a written report yesterday that without tangible results in further talks in the next few weeks he must conclude that the disputing parties were unwilling to co-operate in implementation.

These parties are Morocco, which claims sovereignty, and the Polisario nationalist movement, seeking an independent Western Sahara.

Under the UN plan a referendum was to have been held last January, four months after a ceasefire went into effect. But the parties have been unwilling to agree on who should be eligible to vote.

UN troops are on duty in Western Sahara for peacekeeping during the process, but in smaller strength than was envisaged – because of the difficulties that have arisen.

Mr Sahabzada Yakub-Khan, the former Pakistani foreign minister who is the new UN mediator, was due to begin a further round of talks yesterday with the two sides.

In a minor breakthrough, he has obtained their agreement, as a confidence-building measure, to focus on safeguarding the rights, political and otherwise, of whichever side is defeated in a referendum.

Bush's China trade policy a sure winner

By Nancy Dunne in Washington

Carla Hills: A list in response to industry comment from all sectors

THE new hardening of US trade policy towards China is a sure winner for President George Bush. As Mrs Carla Hills, US trade representative, made clear last week, either China caves in by October 10 and agrees to US demands that it should open its markets, or Mr Bush will announce billions of dollars in sanctions.

If China does yield to US pressure, the president will have another foreign and economic policy success; if not, Mr Bush can prove that he is no longer rolling over to the communist superpower as he did in the days after the Tiananmen Square pro-democracy demonstrations were suppressed.

How tough the sanctions will be must still be seen. The American Textile Manufacturers Institute is convinced the administration was "pulling its punches" when last week it released a $3.9bn (£2bn) proposed "hit list" of possible sanctions targets.

The list had been drawn up in response to industry comment from all sectors as the trade representative had requested. Honey made the list, as the American Honey Producers' Association had asked, as did bicycles and other targets suggested by their industry associations, but textiles and apparel were barely represented, though both have been severely hit over the years by Chinese competition.

"We never received any good reasons why we were turned down," said Mr Carlos Moore, executive director of the American Textile Institute. "They claimed the consumer would be hurt because it would create short supply, but we took care to ask for products which could have substitutes readily available."

Instead, the list included only silk, or apparel with a silk component (items for which demand exists all over the world), Mr Moore said. The other items on the list are now more easily transshipped through third countries, because the US Customs Service has focused most of its efforts on textiles and clothing.

In an election campaign, one of the advantages of being an incumbent president is the ability to control timing, Mr Harry Freeman, a prominent trade lobbyist, said.

It was no coincidence that the North American Free Trade Agreement between the US, Canada and Mexico was announced the week before the Republican convention. An administration press aide confirmed the White House had had the Nafta press conference scheduled during "a window of opportunity" in the president's schedule, even before the negotiations were completed.

The administration had promised a worker adjustment programme would be included in Nafta legislation, but a few weeks ago it had only begun to gather opinions about its shape. Yesterday, however, Mr Bush announced a grand restructuring of worker training schemes, a move he could have made months ago except there was no political campaign to drive events.

EC copier makers still fighting Japan

To end dumping duties would be seen as a blow to business, Michiyo Nakamoto writes

THE European Commission's decision to review its 20 per cent anti-dumping duty on Japanese photocopier imports highlights the depressing reality that after five years of protection, European manufacturers are still struggling in the face of Japanese competition.

The Commission has announced it has opened a formal investigation into Japanese photocopiers, after complaints from European manufacturers that the 20 per cent anti-dumping duties imposed in 1987 had not achieved intended objectives.

The European makers, Rank Xerox, Oce of the Netherlands and Olivetti, claim further that if the duties were allowed to lapse this year as scheduled, it would injure their business. "We have not seen the improvement in profitability in our copier business that we should have seen as a result of the anti-dumping duties," says Mr David Whibley, senior legal counsel at Rank Xerox, the US-UK company.

The photocopier duties were imposed five years ago after the Commission found that Japanese photocopier manufacturers were dumping products in the EC – that is, selling them at prices lower than those in their domestic market. The duties were to lapse automatically after a period of five years which ended this February. Over that period, however, the duties were supposed to have raised the prices of Japanese photocopiers sold in Europe. This, in turn, was to have improved the competitiveness of European manufacturers by raising their profitability, plant capacity utilisation and market share.

Instead, the main effect of the anti-dumping duties was to quicken the pace of Japanese investment in facilities in Europe and reduce imports from Ecu1bn (£720m) to Ecu500m. Prices meanwhile have stayed level or even declined and "consumers are continuing to enjoy a price honeymoon", says Mr Whibley. Rank Xerox points out that the price of one particular Japanese-made machine sold in Germany has fallen from DM3,600 (£1,276) in 1988 to DM3,480 for this year's model.

These price levels show that the Japanese have been bearing the extra amount of the duty and have in effect continued to dump products, the Europeans say. Rank Xerox says that because of the artificially low price levels set by the Japanese, it has not been able to obtain a reasonable rate of return on sales, which the Commission considers is about 12 per cent for the photocopier industry.

It further blames the low prices for its inability to increase market share. Furthermore, Rank Xerox itself has maintained its market share, running at 11 per cent, according to Dataquest, the high-technology consultancy, but the aggregate market share for European manufacturers has declined.

This is not surprising, as the number of European manufacturers of photocopiers has fallen from five when the duties were imposed to just three. The other two have been acquired by the Japanese.

'We have not seen the improvement in profitability in our copier business that we should have seen as a result of the anti-dumping duties,' says the senior legal counsel at Rank Xerox

Meanwhile, European dependence on Japanese manufacturers has increased. Olivetti manufactures copiers through a joint venture with Canon; this relationship has led the Commission to exclude it from its list of Europeans that would suffer from removal of the anti-dumping duties.

In addition, the Commission is also considering extending the duties to higher-end machines able to copy 75 or more pages a minute which had been exempted from the original action because they were not made by Japanese manufacturers at the time. However, the Japanese have now entered this market, which had previously been the preserve of Rank Xerox and Oce.

Japanese companies deny that prices have been kept at artificially low levels. "The 20 per cent duty has raised prices so we have tried to bring manufacturing costs down," says a representative for Ricoh in Europe.

Canon says it has been able to maintain the largest market share in Europe without necessarily having the lowest prices.

The Japanese feel that the Europeans are also responsible for their lack of competitiveness. Rank Xerox and Oce have concentrated their efforts on higher-end machines and neglected the lower end of the market, one Japanese manufacturer says. "It is no surprise that they cannot compete in that sector."

As a result of that strategy, Rank and Oce dominate the higher end of the market, where profit margins are higher. Although Rank Xerox trails Canon in terms of market share, it is ahead in terms of revenue.

Neither do they agree with the European view of what constitutes reasonable profitability. European manufacturers may say that a reasonable return on sales is 12 per cent but Japanese companies would consider a return on sales of 3.5 per cent respectable. "In Japan, no company has a return on sales of 12 per cent. If the Europeans expect a 12 per cent return, we can only sigh in response," says one manufacturer.

The Commission will spend many months examining prices in Japan and the EC in an attempt to determine whether dumping has continued.

The most important question it needs to address, however, is whether it is ultimately in the Community's interest to continue imposing duties on Japanese photocopiers. "Do they merit the protection, or should we let these companies sink?" asks one Commission representative.

If the duties are continued and extended, the most likely effect is not to raise prices but further to encourage Japanese manufacturing in Europe. Recent history has shown, however, that this in itself is not likely to improve the Europeans' competitiveness to their satisfaction.

Turkey agrees power plant deal

By John Murray Brown in Ankara

TURKEY has agreed terms for a build-operate-and-transfer (BOT) coal-fired power plant, under a deal signed with a US consortium led by Trinity Partners International of Pennsylvania.

The privately-financed 237MW plant at Cankiri Orta, 130 miles from Ankara, is estimated to cost $500m (£260m) including developing a nearby 100m tonne coal deposit.

Trinity Partners, with Pagro Power Alhlstron, will build and run the plant for 26 years under the BOT arrangement before handing over to Tek, the Turkish power utility.

The project, the first big infrastructure deal agreed by the government of Mr Suleyman Demirel, will encourage investors trying to get BOT proposals started.

Ankara is studying a similar arrangement for its city Metro. Lockheed has been negotiating a BOT proposal for Istanbul airport for two years. Thames Water, in a consortium with the local Gama group, is seeking agreement with Istanbul's water authority to take water from a proposed dam and pipeline project at Izmit.

The Trinity consortium will use Alhlstron's fluidised bed technology, employing low calorific lignite coal without the extra investment of emission scrubbers.

The company says the design, well tried under US environmental conditions, meets World Bank and Turkish emission standards.

The consortium has been given until December 1993 to arrange finance. Hambros Resource Development Incorporation in Chicago is lead bank. Equity will account for 20 per cent, the rest raised in loans. The company is looking to the International Finance Corporation, the World Bank's private-sector lending arm, to take an equity role.

It will recover its loan costs by selling power to Tek at prearranged prices.

Japanese beers target US

JAPANESE beer makers hope to boost their market shares in the US, Europe and Asia, Reuter reports from Tokyo. At present, Japanese exports account for only a small fraction of the brew drunk around the world.

Japan's four biggest brewers, Kirin, Asahi, Sapporo and Suntory, export about 30,000 kilolitres of beer each year, but world beer consumption is well over 100m kilolitres.

At the top of the Japan brewers' list of targets is the US. Imported beer accounted for some 4-5 per cent of the 22.7m kilolitres Americans drank in 1990. Imports are about 2 per cent of the 6.6m-kilolitre Japan market. Sapporo is leading the way in the US market, aiming at sales of 1.5m cases in 1992, against 1.4m in 1991, Mr Kenzo Sakami, general manager, said.

Asahi aims to increase its US beer sales to 850,000 cases in 1992 from 700,000 cases a year earlier. Each case holds 12 bottles of 0.633 litres.

Kirin and Suntory have made a link-up with Canadian brewers. Molson, based in Montreal, is now brewing Kirin beer for export to the US, where Kirin expects to sell some 1.3m cases in 1992. The Toronto-based John Labatt brewery started making Suntory's canned draught beer in February, and Suntory aims to sell 200,000 cases in the first year in the US.

Japanese brewers are also eyeing the potentially lucrative European market. Kirin is trying to strengthen its sales in Europe through a tie-up with Britain's Charles Wells, which will make Kirin lager at its factory in Bedford, starting in February 1993.

Charles Wells plans to brew 150,000 cases of Kirin in the first year and 300,000 cases a year by 1996.

The Japanese companies are also keen to expand in Asian countries such as Hong Kong, Taiwan and Singapore, which have low import duties on beer.

Bulgarian airline aims to have foreign partners

By Daniel Green

BALKAN Bulgarian Airlines, the Bulgarian national airline, is seeking foreign partners as part of its privatisation.

The UK-based financial adviser S G Warburg is preparing a prospectus on the company and will be seeking airline partners within six weeks. Warburg said it hopes to have found potential partners by late 1992 or early 1993.

Balkan Bulgarian Airlines has nine western-built aircraft, consisting of five Boeings and four Airbuses. It also has a fleet of 51 aircraft from the former Soviet Union. In 1991 it employed 4,000 people and had revenues of about $170m (£89m), S G Warburg said.

The airline was given national carrier status by the Bulgarian Council of ministers on August 10. This gave it a 15-year franchise as the sole Bulgarian-based carrier to travel to 53 specified international destinations in Europe, Africa, the Middle East and the Far East. S G Warburg said the Bulgarian government would retain a stake in the new enterprise, though it was not clear if this would be a controlling holding.

Investors could get refunds on life policies

By Norma Cohen

TWO life assurance companies may have to refund money to policyholders who bought products based on what has been found to be misleading advertising, the industry regulator Lautro said yesterday.

After reviewing advertising for single premium with-profits bonds, Lautro said it had ordered 13 companies – more than half of the 22 which sell the product – to withdraw some advertising. Of the 13, two were told to clarify the bond's characteristics.

The bonds offer a fixed rate for a fixed term, typically 10 years, but with conditions.

Investors who wish to withdraw funds early may face charges. Insurers also have the option of applying a market value adjustment factor which may reduce the interest rate if investment returns fall.

When it announced the review of the single premium bonds in April, Lautro said clients who claimed – after receiving clarification – that they bought the product under misleading circumstances might be eligible for refunds.

According to the Association of British Insurers, with-profits bonds made up the biggest share of the £3.06bn in non-linked single-premium business sold by insurers last year.

CURRENT ACCOUNT DEFICIT

Trade gap widens as imports rise sharply

By Emma Tucker, Economics Staff

Tony Andrews

Trading places: a foreign exchange dealer at National Westminster Bank contemplates yesterday's poor current account figures

THE UK's trade gap widened in July as the recession failed to stem the growth in imports.

A sharp rise imports outstripped flat exports, causing the visible trade deficit to grow by almost £200m from £947m in June to £1.1bn last month.

The current account deficit, which includes a projected £200m surplus on "invisible" goods, such as banking, and transfer payments, grew from £747m to £934m.

In the three months to the end of July the visible trade deficit narrowed slightly to £2.9bn compared with £3.3bn in the previous three months. However, this mainly reflected a bigger surplus on erratic items such as ships, North Sea installations and precious stones which rose to £538m from £6m in the same period.

The UK's surplus on erratic items grew because of unusually low aircraft imports.

Trade in oil was in balance compared with a surplus of £74m in June.

The underlying deficit, which excludes oil and erratics, was almost unchanged at £3.7bn in the three months to the end of July.

Although consumer confidence remains weak and retail sales have been flat since the general election in April, import growth means the UK has been unable to close its trade deficit with the rest of the world.

In the three months to the end of July, the value of imports grew by 5 per cent compared with the same period a year ago, against exports which were only 1.5 per cent higher.

A breakdown of the UK's overseas trade suggests that slower economic growth in other European Community countries is the main hindrance to higher export sales.

The value of exports to the EC fell by 0.5 per cent in the three months to July compared with the previous three months.

Exports to the US were also flat but exports to east Europe and the former Soviet Union continued to flourish. They grew by 42 per cent in the three months to the end of July compared with the previous three months.

In spite of the weak dollar, imports from the US fell by 12 per cent, a marked reversal from the strong growth in US imports registered at the beginning of the year.

Exports of cars fell by 3 per cent in the latest three months while imports grew by 7 per cent over the same period. Exports of capital goods grew by 3.5 per cent, but exports of chemicals fell by 1.5 per cent.

Mr Robin Cook, the opposition Labour party's trade and industry spokesman, said the rise in imports was further evidence that the government's economic policies were failing British industry.

"Only halfway through 1992 Britain has clocked up a deficit larger than the whole of last year. We are now adding £1m to the trade deficit every hour," he said.

The Treasury said exports continued to perform well in July and that the rise in imports, consistent with economic recovery, was not unexpected.

The Confederation of British Industry also welcomed the "significant increase" in export volumes over the past year in spite of the difficult conditions in the UK's main overseas markets, but said import volumes remained well above last year's levels.

Mr Norman Willis, general secretary of the Trades Union Congress – the umbrella organisation for most UK unions, called for early discussions between Mr Michael Heseltine, trade and industry secretary, and unions and employers to improve Britain's trade balance.

"The government's economic policy is in tatters. A monthly deficit of over £900m when the economy is in the greatest slump since the 1930s is scandalous," said Mr Willis.

Weak US dollar may worsen UK recession

By Our Industrial Staff

LEADING industrialists in Britain yesterday voiced fears that a weak dollar could worsen the UK recession if sterling maintained a $2 level on international markets.

Mr Martin Taylor, chief executive of Courtaulds Textiles, said the fall in the dollar would cost his company several million pounds a year. "The European currency bloc is ridiculously overvalued," he said.

Jaguar, which last year had 44 per cent of its sales in the US, called the dollar rate preposterous. Mr David Boole, director of public affairs, said "for Jaguar as an operating unit the exchange rate is a disaster. It is still the problem of making cars in pounds and selling them in dollars."

Mr Peter Bates, sales and marketing director of the Savoy hotel group, said: "It is very expensive for an American to come here at the moment." The number of American guests, who account for half the group's customers, has fallen by 10 per cent.

Other companies, however, were less worried. The motor component maker T&N said the dollar rate was "not much of a problem in real terms".

The electronics group GEC, which has extensive operations in the US, said the strength of sterling would be marginally more negative than positive.

Aerospace company Smiths Industries, which has plants in the US and UK, said the currency change was a factor in deciding where to locate new production. But Mr Christopher Taylor, finance director, said "sales into dollar economies which are being delivered now were sold at much better than the present rate. And the forward rate over 2 years for new deals is more like $1.80".

Mr Taylor also pointed out that the group hedged its dollar exposure. However, Mr Martin Taylor of Courtaulds Textiles said this did not apply in Courtaulds case. "You can't hedge economic disadvantage", he said. "Imports come in from countries with a dollar cost base like the Far East. It isn't about exports, it's about import competition".

Computer manufacturers said the impact of the falling dollar was broadly neutral. Most computer components – microprocessors, disk drives and power supplies – are bought in dollars.

Some other companies said that conditions were already so bad in the US market that the dollar's weakness made little difference. One UK group with housebuilding and aggregates interests in the US said yesterday: "It would be nice to have enough US profits to be adversely affected by currency movements."

National Institute of Economic and Social Research

Think tank urges £2bn aid package for economy

By Peter Marsh, Economics Staff

THE Treasury should consider injecting £2bn into the economy to lift output and employment over the next year, the National Institute of Economic and Social Research says in its quarterly review published yesterday.

This call from one of Britain's leading economic think tanks will increase pressure on Mr Norman Lamont, the chancellor of the exchequer, to use government measures to aid recovery.

The institute says policies such as increased public-sector spending or a temporary cut in Value Added Tax could help prevent a "protracted recession".

The institute supports Mr Lamont's refusal to consider a devaluation of sterling in the European exchange rate mechanism (ERM), a measure some government critics believe would permit a large cut in interest rates.

"We do not accept the argument that recovery is possible only if interest rates are cut sharply, or only if the pound is devalued," the institute says.

Economic measures suggested by the institute include loans to housing associations and other property groups to increase the supply of rented homes, and deferral of tax payments by companies.

The institute says the £2bn injection into the economy this financial year should be countered by moves to tighten fiscal policy by an equivalent amount, during the two succeeding years.

In the absence of such moves, the research body says the outlook is gloomy. On current policies the economy will contract 0.5 per cent this year, after a 2.5 per cent fall last year. Boosting demand through a £2bn fiscal package would increase output by 0.75 of a percentage point this year, the institute adds.

With an imminent reduction in Germany's borrowing rates unlikely, the scope for a cut in the UK's 10 per cent base rates during the rest of the year is "minimal". Export growth will be constrained by the weak international economy.

Consumer spending will remain depressed, partly because of the fall in personal wealth triggered by reductions in house prices.

As for 1993, the institute expects a modest recovery, with output rising by 1.7 per cent, though unemployment will continue to rise to 3m by the final quarter. Headline inflation as measured by the retail prices index is likely to decline, to 3.6 per cent by the end of this year and 2.8 per cent by the end of 1993.

Over the next year, the outlook for spending by companies may "now be rather brighter" than for spending by consumers, the institute says. Many businesses are benefiting from higher productivity among employees sparked by lower wage inflation, together with a reduction in debts.

National Institute Economic Review, available quarterly from 2 Dean Trench Street, London SW1P 3HE. Annual subscription £70 (UK), £85 (overseas).

'No' to Maastricht could sink ERM

By Peter Marsh, Economics Staff

THE European exchange rate mechanism (ERM) may have to be scrapped if progress towards economic and monetary union (Emu) breaks down, according to the National Institute.

If the moves to achieve monetary union by the end of the century falter, perhaps after a "no" vote in next month's French referendum on Maastricht, serious financial instability could result which would lead to higher inflation and higher interest rates across Europe.

The institute says the arguments for Emu – involving a single European currency presided over by a single central bank – remain strong in spite of doubts about ratification of the Maastricht treaty by European governments.

It warns: "If the prospect of Emu were to recede into the indefinite future, then [ERM] realignments would become larger and more frequent.

"Continuing with the ERM as it now is cannot be seen as an alternative to Emu...The only lasting alternative to Emu may be a return to floating exchange rates within Europe."

A vote in favour of the Maastricht treaty in the French referendum is a "necessary although not a sufficient" condition for Emu taking place as planned, the institute says.

If Europe were to give up on Emu, signifying an end to the goal of permanently fixed exchange rates across Europe, the outcome would affect individual countries in different ways.

"The outcome [of Emu's abandonment] in each member state would then depend on the priorities and the reputation of national monetary authorities. Even if the form of the [exchange rate mechanism of the] European Monetary System was maintained, the result would probably be higher inflation and higher nominal exchange rates for most of the member states, including the UK."

The institute points out that, under Emu, pan-European borrowing costs would be set according to economic conditions across the continent. That would be preferable to the arrangements under the ERM, according to which European rates are in practice determined by economic events in Germany alone.

Other arguments for Emu were the reduction in transaction costs across Europe that would follow the introduction of a single currency, and the poor record of many individual European countries in creating stable growth by national economic policies.

UK financial services hold 17% of market

UK FINANCIAL institutions account for 17 per cent of the world market in financial services, the National Institute says, Peter Marsh writes.

Professor Tony Smith, writing in the institute's latest quarterly review, says the British share is second only to that of US institutions, which account for 66.3 per cent of the market. Japanese-owned institutions have 5.1 per cent, with French, Canadian and Swiss groups accounting for 4.2 per cent, 3.2 per cent and 2.1 per cent of the market respectively.

Prof Smith bases his analysis on fees earned by commercial and merchant banks in 1989, in areas such as foreign exchange dealing, bonds and equities.

Behind the success of UK-owned financial groups, says Prof Smith, is their "inherent efficiency". This factor is "difficult to identify and quantify directly," but has been helped by competitive forces.

Both the UK and the US have "basically open, unprotected domestic financial markets and a consequent exposure of national financial institutions to untrammelled international competition".

Prof Smith says many financial groups from continental Europe lack these advantages "insomuch as their operations are for the most part conducted by less suitable universal banking structures".

Rival nations, especially the US, have frequently won substantial shares in UK markets "to the point where in some case the UK experiences a deficit in supply".

Britain in brief

Healthcare spending to top £40bn

Total healthcare expenditure in the UK will top £40bn this year, around £640 per person, according to the Office of Health Economics, the research unit funded by the British pharmaceutical industry.

Per capita health spending has almost doubled in real terms since 1973, rising from 4.6 per cent of GDP to an all-time high of 6.5 per cent. The growth in the private health sector has been particularly marked, with expenditure on private health care rising three times as fast as spending on the national health service (NHS).

The UK continues to lag behind other major industrialised countries in the level of its health expenditure. The average for members of the Organisation of Economic Co-operation and Development (OECD) is 9.0 per cent of GDP, with countries such as France and Germany spending a quarter more per person than the UK.

BBC cutbacks condemned

The government is forcing changes on British television which threaten to destroy both the BBC and ITV as sources of high quality programmes, according to Sir David Attenborough, the naturalist and broadcaster.

In his presidential address to the British Association for the Advancement of Science annual meeting in Southampton, Sir David expressed most concern about the cuts imposed on the BBC.

"An institution that has produced programmes as efficiently as any in the world and to the highest of all standards, that has provided this country with two television networks and four networks for less than the daily price of a first class letter, is being gravely eroded, the morale of its staff seriously damaged and the very things that gave it its unique structure and strength destroyed," he said.

Water groups face regulation

Mr Ian Byatt, director general of water supply, has acted to ensure that water companies could not use funds from their core water businesses to subsidise other businesses.

Using new powers available to him following the publication of the Competition and Services (Utilities) Act in July, Mr Byatt published proposed amendments to water companies' operating licences designed to give him greater control over their non-regulated businesses.

Since they were privatised in 1989, water companies have diversified into different fields including environmental and engineering services, waste management, and even hotel management in an effort to maximise their earnings from businesses that are not regulated by Ofwat, the industry regulator.

The proposals include a direct ban on cross-subsidies between water companies and their associated companies, or between their water businesses and other businesses.

Shirayama wins legal review

The government will to have to defend in the High Court its controversial decision to allow the London School of Economics to bid for County Hall, the landmark London site opposite the Houses of Parliament.

The High Court gave the Shirayama Corporation, the Japanese developer which bought County Hall in March, the right to seek judicial review of the the decision last month by Mr Michael Howard, the environment secretary, to allow the social science university to mount a counter bid for the site.

That decision angered Shirayama, which believed an "opt out" clause in its purchase agreement with the London Residuary Body, the formal owner of the site on behalf of the London boroughs, would only be exercised in the event of a Labour victory in the general election in April.

LibDems plan party review

The Liberal Democrats are to carry out a wide-ranging review of the party's identity, philosophy and strategy at next month's party conference, which could mean a reappraisal of their attitude towards a possible pact with the Labour party.

Mr Charles Kennedy, the party's president, said: "The party will consider whether we still hold out replacing Labour as an objective – short or long term – and, if not, what implications does that have for our political stance now."

The debate will be spread over most of the Harrogate conference. It will begin with a relatively informal consultative session on the first afternoon, which will form the basis for a motion for formal debate later in the week.

Pakistani batsman Aamir Sohail takes a run after sending the ball past England bowler Dominic Cork during the fifth Texaco Trophy match. England won by six wickets, taking the series 4-1

Three bailed in Eagle Star case

Three men have been committed to the Old Bailey for trial in connection with an alleged fraud on Eagle Star insurance company.

Mr Peter Rumball, a stockbroker with Mansion House Securities, and Mr William Butler each face a charge of conspiring with persons unknown to defraud Eagle Star of £5,488,235 by the fraudulent negotiation of a stolen share certificate representing 480,581 ICI shares.

Mr Anthony Lort-Phillips is charged with dishonestly handling a stolen ICI share certificate to the value of £5.5m in that, knowing or believing it to be stolen, he dishonestly undertook or assisted in its retention, removal, disposal or realisation.

All three men were committed on bail by City of London magistrates.

Businessman denies fraud

A businessman trying to stave off financial ruin siphoned more than £332,000 from the bank account of a firm of London solicitors, it has been alleged in a London court.

Mr Sean O'Reilly, who denies conspiracy to defraud, had an unidentified accomplice, Southwark Crown Court was told.

Mr Howard Vagg, prosecuting, said that Mr O'Reilly, who ran a business making sports trophies, told the police the money had been paid by a US oil tycoon for shares he had inherited from his father. In fact the shares were worthless and were used by Mr O'Reilly to cover up the crime, Mr Vagg said.

The trial continues.

Executive dies in air crash

The chairman of the Blackburn Partnership, which organised the Lancashire town's bid for City Challenge government funding, was one of four men killed when their light aircraft crashed at the weekend on the Scottish island of Jura.

Mr Robert Watts, the owner and pilot of the aircraft, was founder and former managing director of Pressport Manufacturing in Blackburn. Under his chairmanship, Blackburn Partnership had won City Challenge funds of £37.5m.

MANAGEMENT: THE GROWING BUSINESS

Training managers is the key to improving employee skills, writes **Lisa Wood**

Change starts at the top

TRAINING ON TRIAL

Ian Went glows with pride as he describes how he stood up in front of his staff and told them about Total Quality Management – the practice which stresses top quality in all an organisation's operations.

Went, who says the only certificate he holds is in swimming, is joint managing director of L E Went, a London-based company which employs 45 people and supplies paint and equipment to the automotive industry.

Started in 1960 by Ian Went's father, L E Went is a classic small business run by Ian and his brother John. Although the company had a good reputation among its customers, it lacked the will to expand as its management were more inclined to respond than to lead.

Companies like L E Went are among the main targets of government-led training initiatives to improve the UK's skill base.

Small businesses themselves say the plethora of advice from the different agencies is muddling

The drive to gain their interest in training is being led, with variable success, by a confusing number of organisations. These include chambers of commerce, Training and Enterprise Councils (Tecs), local enterprise agencies and the Department of Trade and Industry.

According to Michael Heseltine, the President of the Board of Trade, the quality of much of this advice is "too low", and the various agencies are still failing to get their message across. Small businesses themselves say the plethora of advice from the different agencies is muddling.

But, getting through to small businesses is seen by government as vital because these companies do less training than larger ones. The latest Confederation of British Industry's (CBI) Quarterly Survey says that companies of less than 200 employees do not expect to increase their spending on training over the next year by as much as medium to large companies.

Similarly, a recent Department of Employment survey, Skill Needs In Britain, shows fewer smaller companies have business plans and training budgets than larger ones.

Ian Peters, deputy director of the CBI's small firms directorate, warns against over-simplification in interpreting surveys. "In some small companies an employee can gain a lot more expertise on the job than it would be possible in a larger business where there would be more formal training."

There are several main reasons why small businesses fail to train. They include:

● Owner-managers often do not accept that they need training. But, according to the CBI's small business council management, training is one of the two key issues – along with finance – for small companies.

According to Peters, management training often has to come first because unless the management itself is learning, it cannot adopt a professional approach to the training of employees.

● For both employers and employees it is difficult to find the time to train. A recent survey by the Management Charter Initiative, a body seeking to improve the training of managers, found this a greater impediment than the money to fund training.

● Small businesses, without the benefit of big human resource departments, find it hard to select the right training of the right quality in a market over-supplied with consultants and private providers of training.

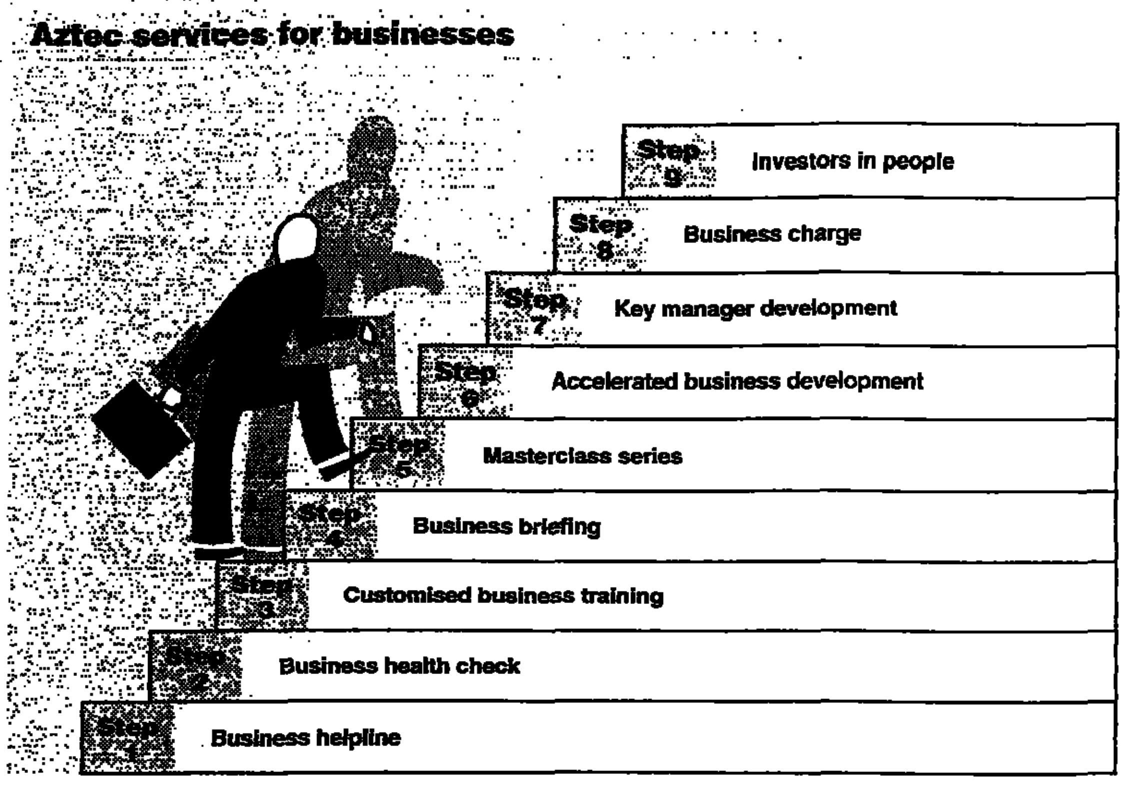
It is in this area that Tecs and chambers of commerce and perhaps the "first-stop shops" mooted by Heseltine should play an important part. The latter, Heseltine intends, should be umbrella organisations bringing together all the agencies that provide advice to business.

Events at L E Went over the past ten months bear out many of these themes. Ian Went says the company had given little thought to government programmes before customers started asking if the company had BS5750, the British standard for quality management.

Went says: "We asked our trade association how much it might cost us to get the standard and it seemed very expensive. At the time we thought the health of our business was good.

"Then a leaflet came through the letter box inviting us to a meeting at Aztec, our local Tec. We went along because we thought Aztec might help us with BS5750. The Aztec people, however, said they would not help us unless we did their Business Change Programme."

Aztec services for businesses



Aztec, like the other 81 Tecs in England and Wales, has responsibility for delivering a variety of help to both new and existing small businesses. Its training assistance spans several initiatives from basic help in setting up and running a business to Investors in People (IIP), a Tec-led scheme where companies' processes of training are assessed. Aztec's services for existing businesses starts with a help line, free to all, and works up a ladder of more intensive training options.

Aztec's Business Change Programme is its local interpretation of Business Growth Training (BGT), a scheme available in all Tecs and similar to some respects to the Department of Trade and Industry's Enterprise Initiative. The latter pays half the cost of five to 15 days's consultancy in strategic planning on topics including marketing, business planning and financial and information systems. BGT is more holistic and focuses on the business as a whole and its training and development needs.

The change at L E Went has been radical. "You name it, we were doing it wrong," says Went. The company was growing, he says, but management was more about "fire-fighting" than taking a strategic overview and communicating that to the staff. One unit was making a loss and there were few formal quality control systems.

Change has started at the top. Ian Went has moved from managing one of the outlets to becoming the company's operations director, while his brother, who is joint managing director, has become sales director. One manager was made redundant: "It was the worst thing we had to do," says Went.

All the managers have undergone training – with one of the most important spin offs, according to Went, being a new-found confidence. He says: "Giving presentations has given me confidence. I have had to become clearer in my own mind about problems and their solutions. Before I may have identified a problem but I didn't necessarily know how to go about dealing with it. The consultants have helped there."

With their assistance he has put in systems which measure the scale of back orders, wrong deliveries, transit damage and vehicle damage. "We want to get everybody thinking about the quality of their service – that includes making the whole staff think of themselves as each other's customers," says Went.

Getting through to small businesses is vital because they do less training than larger ones

Staff training, in a small business where it is difficult to find time off, has sometimes been done at weekends. So far L E Went has spent about £9,500 on the consultancy, a sum that has been matched in grants by Aztec. Went is keen to invest more as needs are identified.

"We have not got as far in changing things as we wanted but I am not upset by that," he says. "We believe we have gone about changing things properly. It is too early to see any impact on our finances but we do feel more able to manage the recession."

A brief to beef up the boardroom

Diane Summers says that non-executive directors have much to offer small companies

The portentous phrase "corporate governance" is not constantly on the lips of every small business person. Recent debate on improving corporate reporting and strengthening the roles of auditors and non-executive directors has been conducted at a rarefied level and has concentrated on listed companies.

Now, however, the Chartered Institute of Management Accountants (Cima) is attempting to widen the debate and make it of more practical application. Cima claims, in particular, that there are positive business advantages to be gained from involving non-executive directors from the earliest stages of a company's development.

The emphasis on policing – safeguarding public interest – has meant that the non-executive director's other role, as a provider of independent financial advice, has been obscured, argues the institute.

Cima says the non-executive director may be able to offer the growing company:

● Business advice based on experience and knowledge. The non-executive director can provide an objective assessment of executive management so that the best use can be made of existing staff.

● Financial expertise for management purposes and to meet statutory requirements. Non-executive directors can help ensure goods and services are costed and priced properly. Checking effective credit control and "strengthening the resolve of executive management in the event of late payment", may also be a useful function.

Non-executive directors can keep an eye, too, on the planning and submission of regular returns, such as VAT, PAYE and National Insurance contributions.

● Guidance on good management practice, personnel policies and compliance with British and European standards and health and safety regulations.

● "Guardianship" on issues such as pay and pensions. Non-executive directors can help ensure management rewards are not at the expense of shareholders or staff; that profit-related pay schemes have a defined range; that staff working conditions and terms of service are of an acceptable standard and that proper arrangements for pensions are made.

As far as the choice of non-executive directors is concerned, Cima advises businesses to look at the overall balance of skills and experience of their management teams and then attempt to fill the gaps.

A team of non-executive directors in a medium-sized or larger company could have some or all of the following: a director well-versed in the technological side of the mainstream business; at least one director who has had wide experience of direction and leadership of a company; a director with sales or marketing experience; a director with good City connections; a qualified accountant or lawyer.

Independence is clearly essential. Proned, the body which promotes the role of non-executive directors, has a code of practice which recommends that the non-executive director should not have been employed in an executive capacity for at least five years by the company on whose board he or she sits.

Professional advisers acting as non-executive directors should not be retained by the company on a continuing or regular basis, nor should significant customers or suppliers become directors.

Non-executive directors, their value to management. Public Affairs Department, Cima, 63 Portland Place, London W1N 4AB. Free.

Further information from Proned, 1 Kingsway, London WC2B 6XF.

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For further information, please contact Roger Pearce or David Bird, the Joint Administrative Receiver, Touche Ross Corporate Special Services at the address below.

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Queen Anne House, 69/71 Queen Square, Bristol BS1 4JP.
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For further information contact the Joint Administrative Receiver, Tony Thompson, KPMG Peat Marwick, Norfolk House, 499 Silbury Boulevard, Central Milton Keynes, MK9 2HA. Tel: 0908 661881. Fax: 0908 664363.

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For further details contact G. Ord, Ernst & Young, P.O. Box 1, 3 Colmore Row, Birmingham B3 2DB. Telephone: 021 626 6262. Fax: 021 626 6305.

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Data source: BMRC Businessman Survey 1990*

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On 15 July the Secretary of State granted a licence entitled "Class licence to run branch systems to provide telecommunication services granted by the Secretary of State under section 7 of the Telecommunications Act 1984." This licence will come into effect on 1 September 1992.

The Secretary of State also issued a licence entitled "Class licence for the running of self provided telecommunication systems granted by the Secretary of State under section 7 of the Telecommunications Act 1984" on 30 July.

These licences replace the "Class licence for the running of branch telecommunication systems granted by the Secretary of State for Trade and Industry under section 7 of the Telecommunications Act 1984," issued on 8 November 1989 ("the 1989 licence"), and the "Class licence for the running of self provided telecommunication systems granted by the Secretary of State for Trade and Industry under section 7 of the Telecommunications Act 1984," issued on 2 August 1991 ("the 1991 licence"). Separate notice has been given of the revocation of the 1989 licence and of the 1991 licence.

This notice is published in accordance with section 7(7) of the Telecommunications Act 1984 in order to bring the fact that these licences have been granted to the attention of those persons for whose benefit they will enure.

Copies of the new licences are available from:

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The price of each licence is £4. Cheques should be made payable to the Office of Telecommunications and should accompany orders.

Glasgow Exhibitions/Mary Rose Beaumont

Life, near-death, sin and wickedness

THE ART Gallery and Museum, Kelvingrove, Glasgow, celebrates John Bellany's 50th birthday with a sumptuous exhibition entitled "A Long Night's Journey into Day" (until Sunday). Bellany has created his own legend from the time when, as a student at the Edinburgh College of Art, he hung his paintings on the railings outside the Royal Scottish Academy as a protest against the prevailing stuffiness inside. His art and his life are inextricably bound up, and he has acted out his life on the canvas as tempestuously as did Van Gogh. The work is the man and *vice versa*.

The exhibition is divided into three parts. The first room consists of 18 oil paintings from the 1970s announcing the themes which have consumed him throughout his life: sin and guilt, stemming from his strict Calvinist upbringing, and man's innate wickedness, with which he was confronted on a visit to Buchenwald in 1967.

In these paintings, Bellany's chief theatre of operation is the bed, upon which birth, sex and death are enacted, usually by surrogates – symbolic creatures nearly all drawn from the sea, reflecting his childhood in the fishing village of Port Seton, Lothian. Lobsters and skates perform unnatural acts with a peculiar joylessness; a dog is ensconced in the lap of a naked woman who sits on a sofa resembling a deliquescent lump of meat – shades of Francis Bacon. "You're 30 Today, John" is a lugubrious comment on *la comédie humaine*, the shrouded figure of the artist supported by a fish and a monkey.

The next room is the kernel of the exhibition. By 1984 he had become seriously ill, though he never ceased painting, sustained by his wife Helen, whose calm strength is celebrated in an iconic portrait of a modern madonna. By 1987 he shows himself holding a watch: time is clearly running out. The following year he underwent a life-saving liver transplant. The watercolours he painted of his post-operative self, oxygen-masked, tubed and stitched, are emotionally raw and profoundly moving.

The third room is alight with optimism. "You're 50 Today, John" epitomises the distance travelled in the intervening 20 years. The man is substantial, instead of shrinking, and saturated blues and oranges replace rancid greens and yellows. Bellany affirms his faith in painting as a means of portraying ultimate truths, aligning himself in the tradition of the Old Masters, such as Rembrandt, Titian, Rubens and Delacroix, whom he has never ceased to revere.

He returns in 1992 to his roots in Port Seton, reworking themes first painted in the 1960s of fish gutting and curing, now celebrated in radiant colours. A sardonic sense of humour, and a lively sense of the absurd, redeems the lushness of the imagery from any danger of sentimentality.

"Spyragyra", 1992, steel and glass, by Tony Cragg

Tony Cragg's sculpture is being exhibited at the Centre for Contemporary Arts (ex Third Eye Centre) and at the Tramway. Cragg is probably the most form-inventive sculptor working on the international scene and the scope and variety is admirably demonstrated in the echoing barn-like space of the Tramway.

The earlier pieces are reassuringly familiar – the jostling, wall-mounted crowd scene made from bits of coloured plastic of 1984, the hugely oversized eye-bath in cast iron of 1986, the bronze turnip-lantern heads, cast from sugar beets (1987) and the elegant "Minster," a post-modern version of the Towers of Trebizond, which graced the roof-terrace of the Hayward Gallery in 1987. Thereafter, we are towed along in the wake of his fertile imagination.

Cragg represented Britain at the Venice Biennale in 1988 and won the Turner Prize in the same year; yet the vast majority of his exhibitions have been outside the UK and Glasgow is the only venue for this show. Cragg's declared aim is "the creation of objects that do not exist in the natural or in the functional world, which can reflect and transmit information and feelings about the world and my own existence." Preconceptions as to how we perceive the world about us are thereby overturned.

There is no hierarchy of materials in Cragg's work. He is equally at home in bronze, steel, glass, wood, stone and plastic, but in each case any suggestion of the mimetic is undermined by a certain perversity in the use of that material. "Branching Form," in steel, is like a diagram of blood vessels in three dimensions; "Bodicea," in wood and steel, resembles a sea slug heaving itself over an object on the sea bed.

He uses gigantism to make a pyramid of rubber stamps in steel, ironically entitled "Subcommittee", and a Sony Walkman evolves from a three-foot-square block of black limestone, alternately shiny and matt, with all the knobs, leads, grooves and batteries clearly delineated.

Though resolutely committed to modernism, Cragg can still indulge in art-historical appropriation. "Spyrogyra" is a spiral of spiked steel on which are impaled a number of odd-shaped, sand-blasted bottles, a somewhat threatening reference to Duchamp's "Bottle Rack" of 1913. The difference lies in the opposition of Cragg's carefully assembled piece and Duchamp's cheeky "found object," presented as a work of art because it was declared to be so by the artist.

Perhaps the most accessible pieces are the traditional bronzes, huge distorted blow-ups of laboratory equipment yielding zoomorphic and anthropomorphic associations which allow the viewer, as Cragg would like, "to get involved with the sculpture." The exhibition runs until September 6.

Salzburg Festival

Janácek & Rossini

From the House of the Dead, Janacek's last opera, can rarely have been mounted so generously as by the Salzburg Festival this year. With Claudio Abbado conducting the Vienna Philharmonic, Nicolai Ghiaurov – as Gorianchikov, the aristocratic prisoner in Dostoievsky's Siberian convict-camp – leads a cast with distinguished singer-actors even in very brief roles. To name only a few: Barry McCauley, Philip Langridge as Skuratov, Alèxander Oliver, Heinz Zednik and Elzbieta Szmytka (the Serpetto in *Finta Giardiniera*) as the boy Alyeya.

The huge stage of the Grosses Festspielhaus, Karajan's *folie de grandeur*, is not an obvious venue for this intense but plotless little opera. Some British colleagues complained that Eduardo Arroyo's bare sets – a stark prison compound with one gigantic tree (crowded with sinister black birds in the final scene), a long, bleak beach for Act 2 – were too open and airy; but perhaps that betrayed a British view of prisons. There is a lot of room in Siberia: the horrors of the Dostoievsky camp had little to do with space-shortages.

Correspondingly, and more controversially, Klaus Michael Grüber's production proceeds in deadly calm. Physical brutality is at a minimum: even the ghastly flogging of Gorianchikov on his arrival was reduced to two offstage howls. There is little sense of pent-up communal violence. Instead, each prisoner seems locked into his own private anguish.

That seems true enough both to Dostoievsky and to Janacek. The greater part consists, indeed, in impassioned monologues – reminiscent, grievous, tortured or comic. Gruber gave them undistracted room. After McCauley's and Langridge's sterling vignettes, Monte Pedersen crowned the opera with a superbly sustained and beautiful account of Shishkov's wrenching narrative. Clearly Abbado wanted this to be a lyrical *House of the Dead* above all.

In practice, there was one severe drawback: much of the audience could have had only the vaguest idea of what the singers were on about. They sang in the original Czech; surtitles for a multi-national audience would have been impossible; the synopsis in the evening programme-book was

> 'There is little sense of pent-up communal violence. Each prisoner seems locked into his own private anguish'

wretchedly inadequate, and there were no intervals between acts which could have let German-speakers catch up with the libretto printed in the programme, or others at least consult the confusing synopsis again.

A noble project, then, but not audience-friendly. There is a continuing problem about programmes at Salzburg. The comprehensive, all-in programme-book has much better synopses (and a fascinating essay on Janacek by Milan Kundera, among others) – but it is heavy and cumbersome, mostly in German, costs the earth and has outdated cast-lists. As the leads in the concert performances of Rossini's *Tancredi* in the Felsenreitschule, for example, some of the audience will have thought they were hearing Marilyn Horne and Edita Gruberova – who had walked out as the season began, to be replaced by young Vesselina Kasarova and Nelly Miricioiu.

Salzburg really must adopt the Munich and Bayreuth habit of posting up the actual cast-list for the evening. (If memory serves, they used to.) Meanwhile, the *Tancredi* audience may have been underinformed, but not disappointed. Miricioiu, now in the prime of her maturity, was an exquisite Amenaide, full-voiced and imaginatively delicate as required. Her vocal art is assured, her musicianship complete; and she played with the utmost generosity to her young mezzo Tancredi.

The *petite* Kasarova is a creature of formidable promise, trumpet-voiced in the heights and astonishingly powerful in the depths: her runs over two octaves were terrific. (It was rotten luck that persistent church-bells from somewhere nearby intruded upon her "Di tanti palpiti".) As Argirio, Donald Kaasch wielded a Rossini tenor of bright timbre, with a useful cutting edge, and a considerable sense of style; he must, however, learn to articulate rapid scales before it is too late.

The bass-baritone David Pittsinger made a fine, stentorian sound as Orbazzano, a further asset to the performance. Unlike Pinchas Steinberg's conducting – which was at best efficient, more often ponderous and plonking, with a deplorable penchant for gross, un-Rossinian *rallentandi* at the ends of numbers. He is down to conduct Verdi's *Giovanna d'Arco* next Festival: why on earth?

David Murray

An Edinburgh Day

Breakfast, a little bed, but not bored

Alastair Macaulay describes a typical (long) day in the life of a dedicated Festival-goer

10.15am. Breakfast as usual at the Queen's Hall. Gossip partly about the Festival's three triumphs so far – *Moses and Aaron*, Mark Morris and, in last night's *Oprichnik*, Galina Gorchakova (a Russian Ponselle)

11am. Queen's Hall. Peter Donohoe: *Tchaikovsky and Chopin*. (Official) After the virtuosity of his starter, Tchaikovsky's Scherzo à la Russe (Op. 1 No. 1), Donohoe tells us that, when planning this programme, no one had realised how short the first half would be. So, "to give the bar staff time to wash the glasses," he is adding now Tchaikovsky's late Dumka. ("This was going to be my encore, so don't clap too loud at the end.")

The selection proves a good sampler of Tchaikovsky's range: you hear his folk facet, his dance facet, his Lisztian stormy-virtuoso facet, his charming salon facet. The bridge to Chopin is his late "Un poco di Chopin" piece, best known (though not in musical circles) in Drigo's beautiful orchestral arrangement (and at about half the speed) in the the 1895 St Petersburg text of *Swan Lake*, for which Tchaikovsky himself designated it. Donohoe, always a modernist, proves an unconventional Chopinian. No lingering, no attention to superficial beauties. Instead, he homes in on the music's structural daring, its fragmentation and Romantic wildness.

2pm. Assembly Rooms. Jenny Eclair: *Mummy's Little Girl*. (Fringe). Another one-person show. Sally Darling, former child star, has descended to crime. In a tissue of bile and gleeful venom, she blames her ruinous decline on her ruthlessly ambitious mother – who is still trying to make her audition for "the Eldorado tragic waterskiing accident victim". The show, a hysterical mixture of *Mommie Dearest* and *Whatever Happened to Baby Jane?*, has its funny and sad sides, but in general works too hard at either.

4pm. Assembly Rooms. Tom Hickey: *Misogynist*. (Fringe). Another one-person show. One daily-paper critic is said to have thought this the worst thing he has ever seen, another the best. It is, of course, neither. But Hickey is an astonishing performer. His circuitous, repetitious, Irish ramblings, with peculiar changes of subject and/or persona, gradually unfold a horrifying psychopathological study: the helpless and murderous misogyny of this Catholic devotee. The text is overblown, but Hickey's delivery is an unflinching tour de force. Stroke by stroke, a non-person looms into vivid 3-D detail.

5.40pm. Assembly Rooms. Compagnie Philippe Gaulier: *The End of the Tunnel*. (Fringe). This mime show (with speech), a spoof on the building of the Channel Tunnel from both English and French sides, relies on exaggeration, repetition and stereotype. It makes one adequate joke every 10 minutes. Otherwise, much "Hello, audience" mugging and adolescent humour.

***7.30pm.* King's Theatre.** Edith Clever, director Hans Jürgen Syberberg. *Ein Traum, Was Sonst?* (Official). Yet another one-person show. Syberberg has been the theme director of this year's Edinburgh Film Festival. (A retrospective of his movies follows in London, at the ICA, September 4-12.) I have always wanted to catch his *Parsifal* – but, ironically, it is *only* showing here this evening, clashing with the local premiere of *Ein Traum, Was Sonst?*, his stage vehicle for Edith Clever, his favourite actress.

Alone onstage, she spends the first 40 minutes without speaking. Gravel and rubble are all around (the ruins of of old Europe.) Simply, she listens: to a lecture on Wagner, to Hitler, to the bombs falling – and then to the renewing strains of the Pastoral Symphony. It is fascinating how Syberberg, like so many German artists, shies away from no part of German history. In spite of the Scylla and Charybdis of Hitler and the war, he suggests that German culture has enduring vitality enough to bring comfort and new life.

The first 30 minutes are transporting; Clever looks half like Peggy Ashcroft, half like Glenda Jackson, and has better bones than either. Every slight move is economical and eloquent. But then the show starts to celebrate her skills – in particular her talent for slowness. When she sits down, it is virtuoso Alexander technique. When she recites, it is preciously elegiac. The curtain falls after 105 minutes, we applaud – and, leaving, realise that this is only the interval. But we do not return.

10.30pm. Royal Lyceum Theatre. Dennis O'Neill: *Neapolitan Songs*. (Official) If it were not for Ingrid the glittering accompanist, this would be the fifth one-person show of the day. O'Neill has worked so hard to become an Italian tenor – he even looks like Caruso's cartoons of himself – that there is nothing individual left. Half his repertory turns out not to be Neapolitan, and most of it is stuff familiarised by the "Three Tenors in Rome" gala. (Yes – "Nessun dorma," "Recondita armonia," and "E la solita storia")

As the recital proceeds, O'Neill finds his form. He is at his best, and least clone-like, in the encores: "O sole mio," whose refrain he decorates handsomely with a slow trill and whose second verse he sings softly; and "Santa Lucia," which he belts out fortissimo but with ardent phrasing.

12 midnight. My tally for Week One comes to 26 shows. The *taxi-driver* tells me that last year he picked up a little old lady who had just done her 147th show and who hoped to *tot up 200 before the Festival* was over.

London Promenade Concerts

Berlioz and Teixeira

THE intimacies of Berlioz's sacred trilogy are not obviously suited to the expanses of the Albert Hall nor to the generally bullish atmosphere of a prom. But Sunday's performance with the BBC Symphony Orchestra conducted by David Atherton was in every respect a success – paced and tended by Atherton with great care and affection, with decent if unspectacular orchestral playing and (on the Radio 3 relay at least) singing of immaculate clarity and passable French from an entirely Anglophone cast.

Berlioz evidently touches a chord in Atherton, a conductor whose treatment of the 19th-century repertory often seems lacking in the spark he brings regularly to later music. While still a student at Cambridge in the 1960s he conducted a memorable performance of *Béatrice et Bénédict*, and the sympathy seems to have been preserved intact. It would have been easy to over-egg *L'Enfance du Christ* in these circumstances, to inflate its moments of pomp, sentimentalise its rapt inwardness. Atherton allowed a natural unfolding, ensuring detail was clearly articulated and even undercutting the sweetness of the "Shepherds' Farewell" with sharp-edged oboes.

The cast was led by Martyn Hill's narrator, light-toned, impassioned, humane, and Ann Murray's beautifully poised Mary, investing every phrase with exact weight and diction. Stephen Roberts was Joseph, soft-grained and self-effacing, and David Wilson-Johnson made much of the role of Herod, vividly realising his monologue. The BBC Symphony Chorus, despatched to the gallery beneath the Albert Hall's dome for the chorus of unseen angels at the end of the first part, was in attentive form. A pleasing, quietly rewarding occasion.

Andrew Clements

* * *

One of the most imaginative pieces of planning in this year's Proms schedule was the filling of Friday's late-evening slot with church music by an 18th-century Portuguese composer all but unknown. That sounds hardly enticing; but, as given by The Sixteen Orchestra and Chorus (this time numbering 20), Antonio Teixeira's 80-minute-long setting of the *Te Deum* (1734) proved a winner.

Teixeira was born in 1707 and not heard of again after the Lisbon earthquake of 1755, of which he is thus presumed a victim. Since he merits only one small paragraph in *The New Grove*, it breaks all the rules – happily! – for his *Te Deum* to be at once so grandly structured, so intricately fashioned for large forces, and so continuously exhilarating.

A boy prodigy sent by King John to study in Rome from the age of ten, he appears thereafter to have devoted his attentions to the church and opera house equally – as anyone might guess who quickly learns to relish the mixture of rigour and ornate brilliance in the *Te Deum* succession of movements. The use of spatially separated choirs and groups of soloists builds up a momentum that looks back to Monteverdi; the charm and vivacity of the melodic layout look forward to much later 18th-century church music; and yet the impact of the whole is utterly "personal", distinctive and fresh.

The Proms performers seemed to revel in exactly those qualities (not surprising: Christophers has already put this work on record). Among the eight solo singers, two each of soprano, alto, tenor and bass, there should be a particular word for Lynda Russell, joyously and expertly dispensing the first soprano's rococo flourishes.

Max Loppert

INTERNATIONAL ARTS GUIDE

■ BERLIN

● La bohème opens the 1992-3 season at the Deutsche Oper tonight at 19.30. Rafael Frühbeck de Burgos conducts, Sona Ghazarian is Mimi (repeated on Sat). Tomorrow and Sun: L'Italiana in Algeri. Thurs: Die Zauberflöte (West Berlin 3410 249).

● Wolfgang Rennert conducts an open-air performance of Aida at Waldbühne on Sun (Berlin Ticket 301 9999).

● Christoph Eschenbach conducts the Berlin Staatskapelle on Sun and Mon at the Schauspielhaus. The programme includes Mahler's First Symphony and Marek Kopelent's new cello concerto played by Heinrich Schiff (West Berlin 254 89250).

● The new season at the Staatsoper unter den Linden opens on Sep 2 with Hindemith's Neues vom Tage. The first new production is Graun's Cleopatra e Cesare on Oct 4, marking the theatre's 250th anniversary (East Berlin 200 4762).

● The Komische Oper season begins on Sep 4 with Gluck's Orfeo. The first new production is Rienzi on Sep 25 (East Berlin 2292 555).

● The Berlin Festival opens on Sep 2 with the world premiere of Aribert Reimann's opera Das Schloss. Claudio Abbado conducts the Berlin Philharmonic Orchestra on Sep 3 and 4. The festival runs till Sep 27 (West Berlin 254 89250).

● The Schaubühne begins its new season tomorrow with Bob Wilson's production of The Illness of Death by French dramatist Marguerite Duras. The company also has Maxim Gorki's play The Lower Depths at the Freie Volksbühne (West Berlin 890023)

■ CHICAGO

RAVINIA FESTIVAL

Helmuth Rilling conducts tonight's performance of Mendelssohn's Elijah. Tomorrow: Vittorio Negri conducts all six Brandenburg Concertos. Thurs: Gerard Schwarz conducts Mostly Mozart Orchestra. Fri: Paul McCartney's Liverpool Oratorio. Sat: blues night with John Lee Hooker and Buckwheat Zydeco. Sun: Rossini concert with Frederica von Stade. Next week: Martha Graham Dance Company (312-728 4642)

■ COPENHAGEN

TIVOLI CONCERT HALL

This week's programme includes a performance of Mozart's A major Violin Concerto tonight by Louise Bebber, and a Tivoli Symphony Orchestra concert on Thurs featuring Alicia de Larrocha in Mozart's Piano Concerto No 23. Next week: Alvin Ailey American Dance Theater (3315 1012)

■ GENEVA

Tonight's concert by Ensemble Erwartung at the Cour de l'Hôtel de Ville includes works by Falla, Cristobal Halffter and Roberto Sierra. Tomorrow: Armin Jordan conducts the Orchestre de la Suisse Romande in an all-Mozart programme (312 4353)

■ HAMBURG

MUSIC

Gerd Albrecht conducts concert performances of Schumann's Genoveva tomorrow and Sat in the Musikhalle, with a cast including Alan Titus, Keith Lewis and Julie Faulkner. A Hamburg State Opera production of Udo Zimmermann's chamber opera Die weisse Rose can be seen at the Studio in der Büschstrasse tomorrow, Sat and Sun (351721).

Hamburg's summer music festival, this year focusing on the music of Mendelssohn and Giacinto Scelsi, opens on Sun morning in the Musikhalle with a Hamburg State Philharmonic concert conducted by Gerd Albrecht (repeated next Mon and Wed evenings).

Sun evening: John Eliot Gardiner conducts the North German Radio Symphony Orchestra in an all-Mendelssohn programme. Next Tues: Academy of St Martin in the Fields (247747)

THEATRE

Theater Ultimo presents James Saunders' play The Island at the Markthalle daily from tomorrow till Sun (339491). The Deutsches Schauspielhaus has West Side Story daily till Sun.

Peter Zadek's production of The Blue Angel, starring Ute Lemper, transfers from Berlin on Sep 12 (248713). St Pauli-Theater has Cole Porter's musical Kiss Me Kate daily till Sep 10 (314344)

■ LONDON

● BBC Proms: tonight and tomorrow, the St Petersburg Philharmonic Orchestra plays at the Royal Albert Hall. Mikhail Rudy is soloist in Rakhmaninov's Second Piano Concerto in tonight's concert, in which Mariss Jansons also conducts Shostakovich's Fifth Symphony. Tomorrow: Yuri Temirkanov conducts Sibelius and Tchaikovsky.

Events later this week include a John Adams programme on Fri, plus weekend concerts by the BBC Welsh Orchestra and the Mike Westbrook Orchestra in Big Band Rossini (071-823 9998)

● English National Opera's new season opens on Thurs with Jonathan Miller's production of Rigoletto (071-836 3161). Also on Thurs, Christopher Hogwood conducts a concert performance of Purcell's Dido and Aeneas at the Barbican (081-638 8891)

■ NEW YORK

JAZZ

After a five-year absence, jazz singer Betty Carter returns to the Blue Note tonight for a week-long engagement, accompanied by a dynamic young trio (showtimes at 21.00 and 23.30). Considered one of the few true jazz singers, Carter has enjoyed a great deal of popularity in her long career, not just through her recordings but also her high-profile gigs and the numerous honours she has been accorded.

Next week: Billy Cobham Band plus Larry Coryell Duo (131 West 3rd St, 475 8592)

■ SEVILLE EXPO

James De Priest conducts the Malmo Symphony Orchestra at the Maestranza Theatre tonight and tomorrow. Anton Garcia Abril conducts the Madrid Symphony Orchestra in a concert of his own music on Fri. Next week, the Vienna State Opera gives three performances of Don Giovanni starring Ruggero Raimondi, plus a Vienna Philharmonic concert with Abbado. Gerardo Vera's musical of Spanish song, entitled Azabache, runs till Sep 13 at the open-air Auditorium. The world premiere of Domingo Miras' new play Las Brujas de Barahona can be seen at the Central Theatre on Thurs.

● For further information, dial 0034 5 448 0404 from outside Spain, or 902 22192 in Spain.

■ STOCKHOLM

On Saturday at Drottningholm Court Theatre, there are two performances of Figaro, Ivo Cramer's new pantomime ballet after Beaumarchais, repeated on Fri and Sat next week. The festival ends with concert performances of operas by Gluck and Haydn at the end of September (660 8225). The Stockholm Philharmonic Orchestra opens its new season next week at the Konserthuset with two concerts conducted by Gennady Rozhdestvensky, featuring Mats Widlund as soloist in piano concertos by Stenhammar and Rosenberg (244130)

■ WASHINGTON

WOLF TRAP

Smokey Robinson gives tonight's concert at 20.00. Tomorrow: Everly Brothers. Fri: Los Lobos. Sat: Judy Collins. Next week: Evita (Filene Center at Wolf Trap, 703-218 6500)

BLUES ALLEY JAZZ

Tonight's guest artists are Covington, Seals and Yarborough (jazz, sax, organ). Tomorrow: MSP (contemporary). Next Mon: Jerry Gordon Quintet. Dinner from 18.00, showtimes at 20.00 and 22.00 (1073 Wisconsin Ave, in the alley, 337 4141)

KENNEDY CENTER

Aspects of Love: Andrew Lloyd Webber's musical, staged by Robin Phillips, opens tonight and runs till Sep 27 (467 4600).

European Cable and Satellite Business TV

(all times CET)

MONDAY TO FRIDAY

CNN
2000-2030, 2300-2330 World Business Today – a joint FT/CNN production with Grant Perry and Colin Chapman

Super Channel
0830-0900 (Mon) FT East Europe Report – weekly indepth analysis from FTTV
2130-2200 (Tues) Media Europe – what's new in European media business
2130-2200 (Wed) FT Business Weekly – global business report with James Bellini
0830-0900 (Thurs) Media Europe
2130-2200 (Thurs) FT Eastern Europe Report
0830-0900 (Fri) FT Business Weekly

Sky News
0130-0200 (Mon), 2130-2200 (Thurs), 0530-0600 (Fri) FT Business Weekly

SATURDAY

CNN
0900-0930 World Business This Week - a joint FT/CNN production
1900-1930 World Business This Week

Super Channel
1930-2000 FT Eastern Europe Report

SUNDAY

CNN
1030-1100, 1800-1830 World Business This Week

Super Channel
1800-1830 FT Business Weekly

Sky News
1330-1400, 2030-2100 FT Business Weekly

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Tuesday August 25 1992

Waiting for the French

BLUFF WORKS only so far in the tussle of wills between central banks and the money markets. From time to time, the authorities have to put their monetary policies where their mouths are. For Mr John Major, that time could be nigh.

The prime minister has repeatedly said that he is prepared to do *whatever may be necessary to* maintain sterling's position within the ERM. With sterling only a fraction above DM2.80 last night, he may have to prove it. If market intervention were to be unsuccessful, proof could require a large interest rate increase. Such an increase might, if sustained, turn recession into slump.

Why might Mr Major have to punish the UK economy in this way? The reason is simply that a fixed exchange rate means abiding *by the actions* of those who care little for him or his country. The Bundesbank is set whole-heartedly on disinflation; the Federal Reserve is little less enthusiastic about reflation. With a small chance of any early reduction in the three-month interest rate differential between the dollar and the D-Mark, now some 6¼ percentage points, selling dollars has appeared to be a one-way bet. The result: the US currency touched an all-time low of DM1.3985 yesterday.

Treaty referendum

This leaves Mr Major and the hapless Mr Lamont in considerable difficulties. But they will have to hold on, at least until after the September 20 French referendum on the Maastricht treaty. Unfortunately, the French may then deliver the worst possible result: an exiguous majority in favour of the treaty. That would undermine the plausibility of the European Community's planned journey to economic and monetary union, but not terminate it. Moreover, the only sensible alternative to current European monetary policies – a D-Mark appreciation against most of the other European currencies – still seems unlikely, whatever the result.

The UK will remain with its lonely choice: in or out, with no compromise in between. Mr Major insists that the UK will remain in, *regardless. But insistence cannot* be enough on its own. The UK is locked in a vicious cycle characteristic of imperfectly credible fixed exchange rate regimes: the more adverse the economic circumstances, the more questionable the government's commitment; the more questionable the commitment, the more the government must reinforce it; and the more the government has to reinforce it, the more adverse become *the economic circumstances.*

The effect of high interest rates in the short to medium term is not the sole reason for the questioning. It may well be argued that persistent current account deficits should not matter. If economic activity does not matter, this is certainly true. But for electorates it normally does matter.

Trade deficit fears

Yesterday's balance of payments figures show that the volume of imports, excluding oil and the erratic items, grew by 8 per cent in the year to the three months ending in July, despite the recession. Over the same period export volumes rose only 3½ per cent. Worse, the growth of imports was high across all categories of manufactures, with capital and intermediate goods showing the smallest increase. The current account deficit, now a little below 2 per cent of gross domestic product, could explode when growth restarts.

The UK's trade performance raises questions about the chances for sustained recovery. What is needed is a long period of improving competitiveness to offset the reduced competitiveness against important trading partners suffered by the UK between 1987 and 1991. Given the low rates of inflation elsewhere, however, improved competitiveness will come slowly. Worse, the low inflation needed for improved competitiveness will tend to raise real interest rates and constrain domestic demand.

The government will, and must, abide by the rules it has embraced. But the durability of its policy will be secured only by the acceptability of the consequences. So far the consequences have been far more adverse, at least for economic activity, than the government originally supposed. Yet what makes any policy credible is not assertions by governments, however oft repeated, but *acceptability to electorates. The British* electorate has been forgiving once. It may not be a second time.

The rising cost of health care

THE GOVERNMENT'S difficulties in controlling rising health care *costs in the UK are well illus*trated by the spending figures published today by the Office of Health Economics. This year's total for spending on health looks likely to top £40bn, 100 times the cost of the National Health Service (NHS) in 1949, its first year. The growth in NHS spending appears inexorable, with expectations now raised by the Patient's Charter which promises higher quality service and a more customer-friendly approach.

Rising health costs are nothing new. Beveridge, the architect of the modern welfare state, estimated that the health service would cost just £170m. The outturn in the first year was more than double this figure, and the NHS has absorbed a rising proportion of the national income ever since. Beveridge's prediction that the cost would not increase as the benefits of free health care raised the nation's health now looks to be – as Enoch Powell put it when health minister – a "miscalculation of sublime proportions".

There has been some slackening in growth rates: from annual rates of over 5 per cent in the 1960s and 1970s, growth has come down to 3 per cent a year in the 1980s. And productivity has greatly increased. The number of patients treated in NHS hospitals has risen from 3.8m in 1951 to 9.2m in 1990-91. This has been achieved on a much smaller share of national income than most other advanced countries spend. UK health expenditure is just 6.5 per cent of GDP, compared with the average for the OECD of 9 per cent and for the EC of 7.6 per cent.

UK behind

It is not evident that people in the UK are greatly worse off as a result of spending a quarter less on health than the OECD average. The infant mortality rate in the UK, at 7.9 per 1,000 live births, is on the OECD average and barely above the EC figure. Life expectancy rates for both men and women are also much the same as the EC average. There are indicators where the UK lags behind – the high level of heart disease among men is the best example. On the other hand, Britain does well by other measures – such as the death rate from strokes among women, one of the lowest in west*ern Europe.*

One reason for the apparent efficiency of the UK health service has been the control which the centralised NHS has historically been able to exert over costs, particularly pay. However, the downside of the UK's planned economy in health has been queues, with about 700,000 people on waiting lists for hospital treatment, some for as long as two years. Those who can afford it go privately – 13 per cent are now covered by *private medical insurance, mainly* to avoid queues.

Higher quality

The government's health reforms are designed to turn the planned economy upside down. Patients are being given rights and health service managers empowered to deliver higher quality and more responsive health care. Large health authorities are giving way to self-governing NHS trusts, and greater flexibility in staffing and pay is promised.

These aims are wholly commendable, but vigilance will be essential if this freeing-up of the health market is not to bring an explosion in costs. Breaking away from national pay scales often leads to wage drift upwards rather than lower costs. And there are many parts of the country where there is only one district general hospital within easy reach, which will enjoy effective monopoly power in the NHS internal market.

Nonetheless, the potential for lower costs is there. The increased number of patients treated in hospitals has been achieved despite a fall in the number of beds from 550,000 in 1961 to 330,000 in 1991. New surgical techniques are increasing the scope for increasing still further the number of treatments which can be carried out without an overnight stay in hospital. Family doctors have been encouraged to carry out much more treatment in local health centres which *have lower over*heads than all-purpose hospitals. While cuts in health spending are almost certainly politically impossible, it should be possible to squeeze better health care out of the budget without further quantum leaps upwards.

European economists say the UK has little choice but to hold its ground within the ERM, writes **David Marsh**

Present pain for future gain

The British government, *facing the most serious* sterling pressure since joining the European exchange rate mechanism in October 1990, was yesterday battening down the currency hatches. Concerted central bank intervention to limit the D-Mark's rise against the weak dollar staved off the immediate risk of higher British interest rates. But, with the dollar closing in London at just above DM1.40, the threat of a serious monetary crisis may grow.

The message from Germany is uncompromising: Britain should stand firm. "We are seeing exaggerated speculative movements where everyone is moving into the D-Mark," Mr Axel Siedenberg, senior economist at Deutsche Bank in Frankfurt, said yesterday. To show currency markets that it is serious about combating inflation through the ERM discipline, he says the British government will probably need to send a "firm signal" by raising UK banks' base rates from their current level of 10 per cent.

Whatever the outcome of the next few days, Britain will remain caught in the crosswinds of an international currency storm whose causes, in both the US and Europe, are largely beyond the UK's control. The US has been easing monetary policy to try to end recession. On the other hand, the Bundesbank – which effectively sets the interest rate floor for the whole ERM area – is keeping interest rates high to counter the reunification-induced rise in German inflation.

The foreign exchanges are also being buffeted by the latest opinion polls showing increasing French opposition to the Maastricht treaty on European political and monetary union. The currency markets believe a "no" vote in the French referendum next month would increase demand for the D-Mark – and thus heighten disruption in the ERM, the EC's exchange rate stabilisation scheme which has functioned without a full-scale realignment since January 1987.

The political complications over ratifying the Maastricht treaty have compounded Britain's economic predicament. Having described the ERM in September 1990, a fortnight before Britain joined, as "a modern day gold standard with the D-Mark as the anchor", Mr John Major is presiding over Britain's longest peacetime recession since 1930-31. Yet the UK government's ability to cut interest rates to revive the economy is constrained by the tight credit policies of the Bundesbank. Since interest rates have fallen more slowly than inflation since autumn 1990, UK real interest rates have risen to an annual 6 per cent from 4 per cent since October 1990 (see chart).

Calls from some UK politicians and economists for Britain to devalue sterling against the D-Mark have been heightened by Britain's current account deficit, underlined by a further widening in the shortfall for July to £934m. In spite of economic decline, Britain will *record a current account deficit of* between 1.5 and 2 per cent of gross domestic product this year. The UK's ERM experience so far has been in sharp contrast to France, which managed to improve industrial competitiveness after adopting an austerity policy which stabilised the franc against the D-Mark during the 1980s.

The pain caused by Britain's transition to a low inflation economy has prompted debate around Europe about whether the UK should *change policies. Most leading European* economists, however, say that Britain has no choice but to keep taking the D-Mark medicine – even though this may, in the short term, force a highly unpopular increase in the cost of credit.

"After the UK failed during the 1980s to bring down inflation with its own efforts, improving anti-inflation performance through an external constraint represents Britain's last hope," says Mr Hans-Peter Fröhlich, international economist at the Cologne-based Institut der deutschen Wirtschaft, the industry-backed economic research body. "Britain has to grit its teeth and press on."

The option of devaluation within the *ERM* would not allow British interest rates to fall below German levels. Such a step might even send sterling interest rates higher if the markets believed Britain's anti-inflation resolve were flagging, according to Mr André Szasz, executive director of the Nederlandsche Bank, the Dutch central bank.

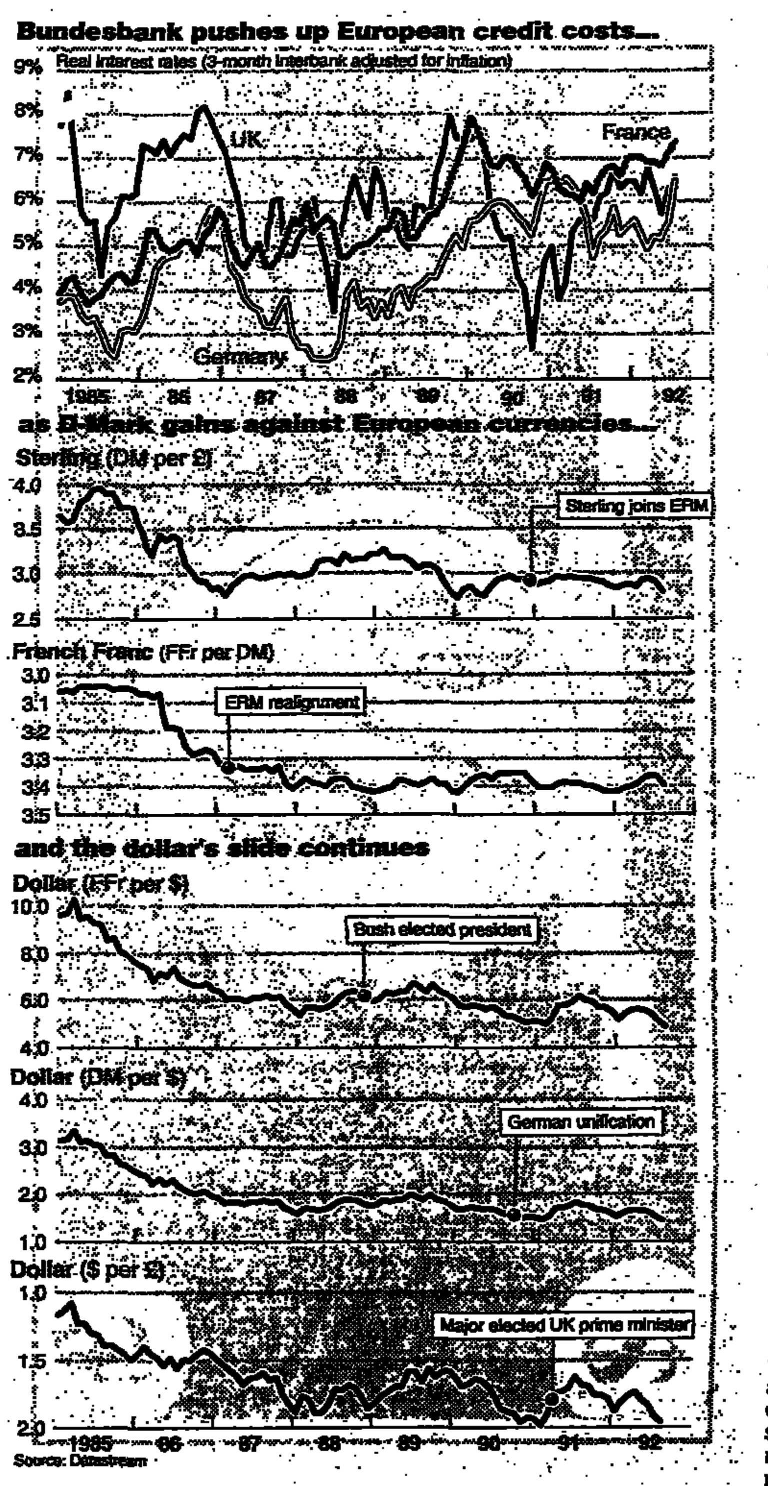
He says experience shows that "devaluation ends up increasing interest rates rather than lowering them". When the Dutch government – against the advice of the Nederlandsche Bank – devalued the guilder by 2 per cent against the D-Mark in 1983, Mr Szasz says this had a negative impact on financial market sentiment. "The government caused Dutch interest rates for years to be higher than would otherwise have been the case."

Another experienced continental central banker, speaking anonymously, advised Britain to "stick it out" because "all the alternatives are awful". Having decided much later than France to bind itself to ERM discipline, Britain is only halfway through a four-year battle to convince foreign exchange markets that it is serious in trying to defeat inflation, he says.

If the UK took the drastic step of leaving the ERM, cutting interest rates and allowing the pound to float, it would take 10 years to restore confidence on the financial markets, he adds.

Even if Britain departed from the ERM, it could not wholly insulate itself from the influence of high German interest rates, owing to the UK's strong trade and investment *links with the rest of the continent,* according to Mr Jean-Paul Betbéze, chief economist at Crédit Lyonnais in Paris. "Even if you are not in the ERM, you are not outside the German monetary area, and this is a zone of high interest rates. There is no hiding place."

Mr Eric Tazé-Bernard, chief economist at Banque Indosuez in Paris, advises central banks around the continent to defend present ERM parities with all means available during the nervous period up to the *French referendum on September* 20. In view of the large credit facili*ties available to central banks* whose currencies fall to their ERM floors, countries may be able to maintain present currency rates without having to raise interest rates, he believes.



Source: Datastream

Mr Peter vanden Houte, international economist at Banque Bruxelles-Lambert in Brussels, also favours a tough line. "The British are being very masochistic in pegging the pound to the D-Mark. But there is nothing else they can do."

He says that organising a moder*ate sterling devaluation of about 5* to 6 per cent within the ERM would have little *significant impact on the* competitiveness of UK industry. Leaving the mechanism altogether, allowing sterling to float down to perhaps DM2.20 to DM2.40 from its present level of about DM2.80, would be politically impossible during Britain's current six months as president of the EC.

Britain's ERM difficulties represent the latest example of the system's external constraints colliding with a member government's domestic policy priorities. For sev*eral reasons, however, Britain's* problems appear exceptionally dire. After a 2.4 per cent decline in GDP in 1991, City economists forecast a further 0.5 per cent contraction in 1992 – the worst two-year performance of any ERM member since the European Monetary System started in 1979.

Because EMS members have become increasingly reluctant to devalue, countries which run into exchange rate difficulties can no longer expect to be bailed out through agreement on a general currency realignment, as was the case in the early EMS years.

Mr Ernst-Moritz Lipp, chief economist at Dresdner Bank, illustrates this point by pointing to France's refusal to devalue the franc during the past few years. This upset chances for currency realignment based on a revaluation of the D-Mark at the time of German unification in 1990-91 – when it would have been economically beneficial for Europe.

In spite of governments' antipathy to devaluation, Mr Lipp believes pressures are building for an ERM realignment this autumn. The strains are focused not simply on Britain, but also on the lira, which has also slid close to its D-Mark floor.

Mr Lipp suggests that Britain should join forces with France to persuade Germany to revalue the D-Mark. If this fails, Britain should devalue unilaterally in order to "decouple" from the D-Mark – a move, he says, which could be presented as a legitimate reaction to the extreme monetary pressures caused by German unification.

A powerful reason behind France's commitment to a firm franc has been its desire to put into place the conditions for European economic and monetary union. The French government sees the establishment of a single European currency, to be run by a European central bank, as the best way to end the present dominance of the D-Mark. This justifies the heavy economic and political capital France has invested in the Maastricht process – and also underlines the high stakes in next month's French referendum.

Yesterday's international intervention to support the dollar suggests that central banks have adopted the policy of doing everything possible to steady the foreign exchanges before the French vote. Their inability, however, to stop the US currency's slide indicates, however, how ineffective that effort may be.

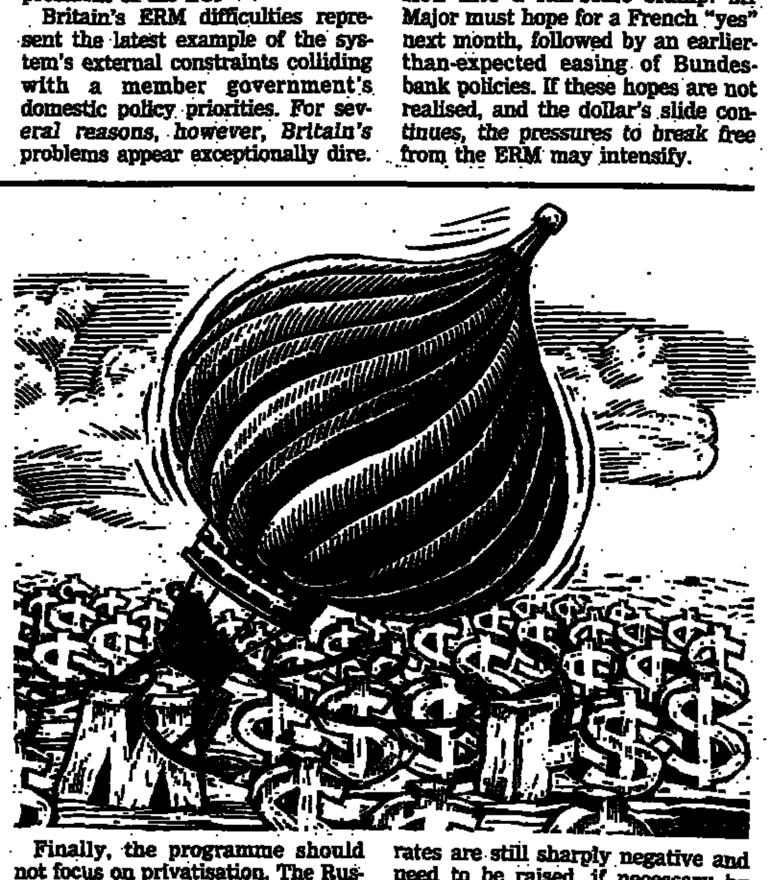
According to Mr Brendan Brown, international economist at Mitsubishi Finance in London, the Bank of England may allow the pound to fall within the next few days to its lowest possible ERM limit against the D-Mark. Under the rules of the EMS, this would oblige the Bundesbank to intervene to sell D-Marks, inflating domestic German liquidity and threatening further unwelcome expansion of the German money supply. This, Mr Brown suggests, might force the German government to abandon its present reluc*tance to revalue the D-Mark.*

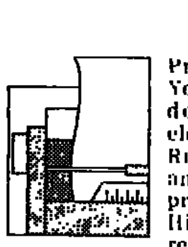
Britain's dilemma is a cruel one. The measure most needed to convince the foreign exchange markets of the government's anti-inflation commitment – a rise in interest rates – is precisely the step which could risk turning the UK's recession into a full-scale slump. Mr Major must hope for a French "yes" next month, followed by an earlier-than-expected easing of Bundesbank policies. If these hopes are not realised, and the dollar's slide con*tinues, the pressures to break free* from the ERM may intensify.

PERSONAL VIEW

Careful therapy in the special case of Russia

By John Williamson





President Boris Yeltsin is the first democratically elected leader in Russia's history, and a leader of proven courage. His government *represents by far* the best chance that Russia has of realising its dream of becoming a political democracy with a prosperous market economy. The west has an overwhelming interest in seeing Russia fulfil this dream, given that the alternatives are internal splintering, or a new authoritarianism, or a frustrated nationalism, or some combination of these.

The Group of Seven leading industrialised countries is surely worrying about how it can help Yeltsin's regime. The G7 should not *confine its thoughts to financial* help. An invitation to enlarge the G7, with a suitable reminder that this is a club of democracies, could give Russian pride a boost.

Nevertheless, it is no use pretending that Russia can be helped on the cheap. It is desperately short of foreign exchange. The west has made provision for $24bn (£12.3bn) in one form or another. One may regret that this mostly consists of credits on commercial terms, which threatens to intensify Russia's long-term debt-servicing problem.

While money is essential, no one imagines any longer that problems can be solved just by throwing money at them. We have entrusted the International Monetary Fund with the responsibility of judging whether policies worth supporting are in place. We have a duty to discuss how the IMF should discharge this responsibility.

The IMF is currently dealing with three separate pots of money: a $1bn first credit tranche drawing, a $2bn-$3bn standby drawing from the higher credit tranche, and a $6bn stabilisation fund.

The first $1bn will be released *essentially on the basis of past* actions – the price liberalisation of January, and the efforts to reduce the budget deficit, the exchange rate unification in July, and the "nationalisation of the rouble" which addresses at least one dimension of the problem of establishing monetary control – plus a declaration of future good intentions.

The main focus of an IMF programme should be on averting the real threat of hyper-inflation.

First credit tranche drawings have traditionally not carried high conditionality, and that seems appropriate here. It provides a modest goodwill gesture.

The stabilisation fund will, appropriately, be released only after Russia has in place the conditions that would allow stabilisation. It should be released *before* the exchange rate *is stabilised, so as to enable Russia* to nudge the rouble up to a level worth stabilising, rather than stabilise an undervalued rate. And it would be silly to insist that any drawings would have to be repaid within 90 days, for that would emasculate the fund's usefulness.

The immediate issue concerns the standby. It would be wrong to abandon the conditionality that has traditionally applied to such drawings because "Russia is a special case". It is of course true that Russia is a special case – as indeed is every case the IMF has to deal. In principle the IMF allows for this by tailoring each programme to the particular needs of the country involved, and in practice it gets closer to that ideal than its critics acknowledge (which is not to claim that it leaves them no ammunition).

So what should be the right measures to incorporate in a Russian programme? It should not be a programme for or against "shock therapy". Russia received a shock when prices liberalised last January and it cannot be unshocked now by reimposing price controls or increasing the budget deficit.

Nor should the programme commit Russia to a specific target for the rate of inflation. The IMF game of demanding a commitment to an unrealistically low rate of inflation and then forcing any responsible country negotiator to demand a higher inflation target is counterproductive. Policymakers do not have the tools to fine-tune the rate of inflation and the bickering gives the public the impression that their authorities are half-hearted inflation fighters.

Nor should the IMF insist on precipitate *liberalisation* of energy prices. It was important that energy prices be raised substantially, as has already been done. And it is important that the public know that they will ultimately be raised to international levels. But there was a respectable case for raising energy prices gradually.

Finally, the programme should not focus on privatisation. The Russians are pushing ahead on that front faster than many had expected, and the IMF lacks expertise that could help them to do it better.

The main focus of the IMF programme should be on averting the terrifyingly real threat of hyper-inflation. Despite the fall every month since January, monthly *inflation is still* well *into double dig*its; inflationary *expectations* are out of control; and there is no incomes policy. Against this unfavourable background, the budget deficit started to widen ominously again in the second quarter; massive new bank credits are being injected into the economy in the (forlorn) hope of rolling back the vast inter-enterprise arrears that emerged earlier this year; and the rouble has fallen sharply again on the foreign exchanges.

Monetary policy offers scope for constructive policy *initiatives*. The inter-bank settlement system has almost broken down. The very real problem of inter-enterprise arrears needs to be tackled, though by consolidating (or even forgiving) the debts and tightening future budget constraints rather than by injecting new bank credit. Real interest rates are still sharply negative and need to be raised, if necessary by indexing some financial obligations.

Unfortunately these imperatives sound like a declaration against the powerful pressure group of managers that has emerged in Russia. The managers are demanding new credits and subsidies to prevent what they see as the danger of the destruction of the industrial base. But it is quite wrong to regard this as a *nomenklatura* opposition out of sympathy with the movement towards a market economy. There are at least important parts of the managerial group that realise that budget constraints have to be hardened, that parts of industry need to be closed down, and that hyperinflation would be a disaster.

Does the IMF possess the skills needed to act as foreign midwife for an authentic Russian programme that will command domestic consent? Or is Russia perhaps enough of a special case to justify asking a senior economic statesmen to head a special mission that would draw skills from a wider pool? The stakes are too high to allow that question to be answered on the basis of not offending institutional pride.

The author is a senior fellow, Institute for International Economics.

Cost constraints prompt a continental shift

LSI's decision to close its German plant shows the problems facing high-tech manufacturing in Europe, says **Louise Kehoe**

The decision by LSI Logic, a US semiconductor maker, to close its state-of-the-art plant in Germany, demonstrates the problems faced by European manufacturers of high-technology, capital-intensive goods.

Balancing the superior productivity of Far East factories against the advantages of "local" manufacturing to serve the European market, LSI was driven to an inevitable decision. The plant will be phased out over the next six months with the loss of more than 250 jobs.

"We have agonised over this for years, probably much longer than we should have," says Mr Wilfred Corrigan, chairman and chief executive of the company, based in Silicon Valley. It specialises in "application specific integrated circuits", chips tailored to meet the needs of individual customers.

But in the end, says Mr Corrigan, "we came to realise that our strategy of local manufacturing, in Europe, the US and Japan to serve our major markets was not going to work".

LSI's retrenchment reflects rising concerns throughout the electronics industry. Several other electronics manufacturers with plants in Europe have expressed similar doubts about whether the costs of their operations offset the benefits.

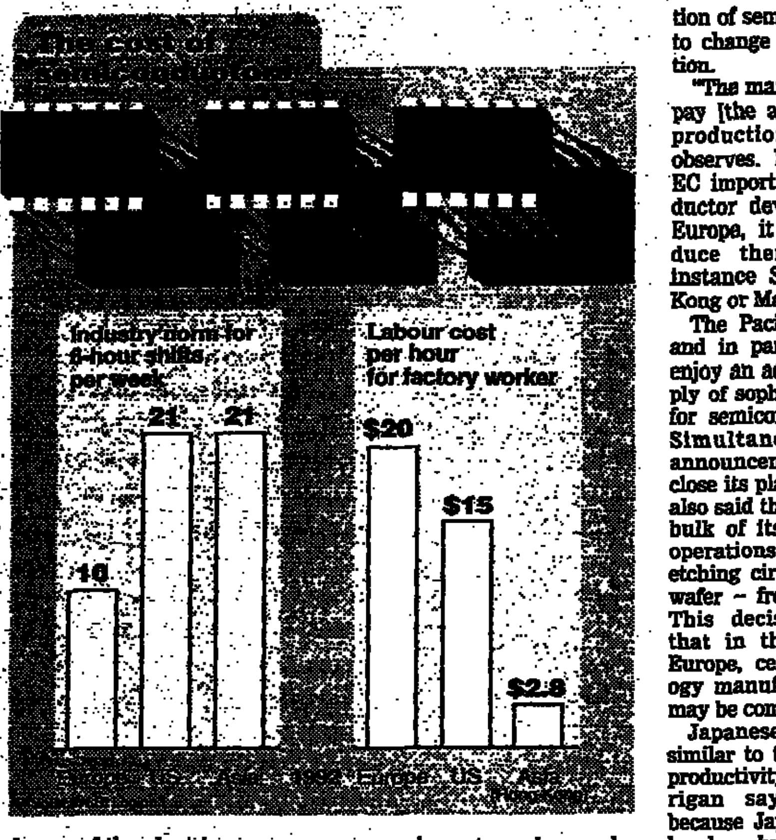
Although LSI's German plant is one of the most advanced semiconductor assembly and test facilities in the world, low productivity has made it uncompetitive in the global chip market (see chart).

"The German management is good and the workers are good. It is not their fault," says Mr Corrigan, who blames the decision to close on the relatively high cost of operating in Europe. LSI would probably have had to close down its European operation in whatever country it had been located, he adds.

LSI chose Bruanschweig, near Hanover, in 1985 as the site for its first European "assembly and test" plant. At the time, the company was committed to a strategy of serving its principal markets with local manufacturing plants in the US, Japan and Europe. Like other electronics manufacturers, LSI was seeking the advantage of proximity to customers to achieve better distribution and service.

LSI originally chose Germany as the site for its first European plant after a lengthy evaluation of several European locations. Ultimately, the company was lured to Germany by generous tax incentives and its highly skilled workforce.

But the issue that led to the closure of the plant is common throughout Europe. The problem, says Mr Corrigan, is that European labour practices, and in several cases legislation, prevent round-the-clock operation of the plant. With high capital costs for production equipment, the goal is to run the plant non-stop. This is possible in Japan and the Far East, where plants typically operate on a three shift system. In the US, LSI achieves non-stop operation by having two shifts with workers putting in a 12-hour day.



In Europe, however, most plants are fully operational less than half of the time. "The net result is that in Europe you get 10 shifts per week versus 21 in the US, Japan or the Far East," Mr Corrigan says.

"The cost of capital equipment is largely the same, wherever you operate, but in Europe productivity of the plant is halved. No matter how efficient you are, you cannot compete."

According to Mr Corrigan, the principal difference is cultural. "Our workers in California like the 12-hour shift system – they work three days one week, four the next. They can avoid commuting in rush hour and it enables working mothers, and that is most of our workers, to make regular babysitting arrangements."

Labour costs are a second factor. Total labour costs in Germany, including pension and health contributions, are about $20 an hour compared with less than $3 an hour in Hong Kong.

The rising value of the D-Mark against the dollar – which has increased the operating costs to the US company – was the final factor. When LSI built the plant in 1985 the D-Mark was at about $2.50. Now the German currency has fallen to well below $1.50.

The decision to close the German plant does not signal a lack of interest in the European market

According to Mr Corrigan, the decision to close the plant does not signal a lack of interest in the European market. Of total group sales of $698m (£357.9m) in 1991, 15 per cent came from Europe. LSI is a leading supplier of application-specific integrated circuits to European telecommunications equipment makers.

He acknowledges, however, that demand for LSI products in Europe has matched expectations. "The European computer industry has not expanded as we anticipated. There is very little personal computer or computer workstation manufacturing in Europe."

EC trade policies designed to encourage European production of semiconductors do little to change the economic equation.

"The market is not willing to pay [the added cost] for local production," Mr Corrigan observes. Despite 14 per cent EC import tariffs on semiconductor devices made outside Europe, it is cheaper to produce them elsewhere, for instance South Korea, Hong Kong or Malaysia.

The Pacific Rim economies, and in particular Japan, also enjoy an advantage in the supply of sophisticated machinery for semiconductor production. Simultaneous with its announcement that it would close its plant in Germany, LSI also said that it would shift the bulk of its wafer fabrication operations – the process of etching circuits onto a silicon wafer – from the US to Japan. This decision demonstrates that in the US, as well as Europe, certain, high-technology manufacturing processes may be coming under threat.

Japanese labour rates are similar to those in the US but productivity is higher, Mr Corrigan says. "This is not because Japanese people work harder, but because of the greater availability of automated semiconductor production equipment," he explains.

Output per hour per person at LSI's Japanese plant is twice as high as at its US plant, Mr Corrigan says. "And our new plant, currently under construction in Japan in a joint venture with Kawasaki Steel, will be twice as productive again." With a fourfold improvement in productivity at stake, the US plant was at too great a disadvantage.

By the mid-1990s, the cost of building semiconductor plants is expected to more than double, to as much as $1bn, as the complexity of chip manufacturing rises. Even the world's largest semiconductor companies will not be able to afford many new plants, Mr Corrigan predicts.

In response, LSI's strategy is to form partnerships with other chip makers to share the costs of new facilities. Already, Mr Corrigan says, he has found "no shortage of people willing to talk about the possibility".

The output of the next generation of chip plants will be so large that companies in the industry expect that only a few will be needed to meet international demand for semiconductor chips.

The location of these plants is likely to be determined more by regional productivity rates than by the size of local markets. As a result, LSI may be just one of the high-technology manufacturers to give Europe the cold shoulder.

OBSERVER

George tries a come-back

■ Ask any American why George Steinbrenner is famous and no more than one in a million would reply because he builds ships.

A handful might dimly recall that the foundation of his family fortune, which has been leaking badly for several years, was the American Shipbuilding Company, started by a great grand-father. But, until July 1990, his name was indelibly associated with his ownership and often tyrannical management of the most illustrious name in baseball, the New York Yankees.

Two years ago, Fay Vincent, the commissioner of baseball and a man whose own job is now on the line, ordered Steinbrenner to relinquish his control over the Yankees. It was not because he had fired 19 managers in 18 years – and rehired one of them five times – but because of his association with a known gambler. A few months later he also handed over the helm of his shipyard to a retired vice admiral.

Gone, but coming back. A month ago, Vincent relaxed the ban. From next season Steinbrenner can take control of the Yankees again, which might at least make life interesting for what is now a third-rate side. Meanwhile, Steinbrenner has had to resume command of his shipyard, following the death of the admiral earlier this month. Its fortunes are at an even lower ebb than those of his baseball team, and it may have to file for bankruptcy if the US navy does not provide more money.

Whether Vincent is around to watch Steinbrenner's return to the dugout is moot. He recently decreed that the Chicago Cubs should henceforth play in the western division of the National League after a lifetime in the east.

The San Francisco Giants are to move to a swamp in Florida. The Seattle Mariners are to be owned by the Japanese. In spite of ever increasing gates, at least half the major league sides are said to be operating at a loss.

The owners, even without Steinbrenner, are restless and have summoned Vincent to defend his stewardship of the national pastime. If Steinbrenner behaves as he did in the past, he will probably hire Vincent as the next manager of his shipyard.

Overcharged

■ Is the "Dianatape" for real? The tabloid newspapers enjoyed themselves yesterday with clues to identifying the mystery couple in the eavesdropped conversation. Buckingham Palace, which is distancing itself from the tape, would doubtless dismiss disdainfully one scurrilous suggestion that it could be genuine, because only someone in receipt of the civil list could afford to spend so much time chatting over a mobile phone.

Back to basics

■ If only the dear old Trustee Savings Bank had been left to run itself rather than be hijacked by lots of clever types from the City establishment, it would not be in its present unhappy state.

Yesterday saw one new broom – former Amex plastic card whiz Don McCrickard – be replaced at the helm by another new broom, Peter Ellwood, who made his name at Barclaycard. McCrickard had been group chief executive for just over two and a half years, while Ellwood has only been with the TSB for a shade over three years.

"We seem to have bottomed out a bit further."

However good or bad they are, neither has had long enough to prove themselves. The revolving door at the top of the TSB is reminiscent of the Midland Bank at the low point in its fortunes. Isn't it about time that the TSB returned to its roots and hired some old-fashioned bankers. Better still why not promote from within?

Man for the job

■ The economist from the National Institute of Economic and Social Research whose gloomy views on the UK economy appear in the institute's latest report is Nigel Pain....

Big spender

■ Even if your name is CINVen and you are one of Europe's biggest venture capitalists, isn't it a bit complacent to imagine every potential client knows CINVen's address, let alone its phone number?

Backed by three of the biggest pension funds – British Coal, British Rail and Barclays Bank – CINVen certainly has deep pockets. It invests over £250m a year in unquoted investments and has not been shy to publicise its prowess. "If you'd like to know more, we'd like to know you", trill the CINVen adverts.

Perhaps, the advert is some sort of customer initiative test to weed out the non-starters.

Heavenly

■ While on the subject of adverts, the New Zealand Immigration Service has been thrilled by the response to its latest bid to boost its population by poaching settlers from the Old Country.

Last year New Zealand granted residence to just over a thousand cases from the UK. After the first three weeks of its latest call for recruits, in a Financial Times' advertisement, it has received four times that number in phone calls alone.

The surprise is not so much that 27 per cent of the responses came from the formerly prosperous south-east, but that so many FT readers are thinking of chucking it all in. After all the NZ economy is only starting to show the first glimmerings of revival after eight years.

That's life

■ However, it is not all doom and gloom. A fellow diner at London's Ritz Hotel restaurant yesterday reports that the number of tables graced by the presence of Scottish Life company actuaries was 18.18 per cent recurring, which sounds better than two tables out of eleven. Admittedly, it was a bit of a slow day at the Ritz, but if Scotland's actuaries can justify a table at the Ritz, then perhaps the good times can't be quite so far away.

LETTERS TO THE EDITOR

Number One Southwark Bridge, London SE1 9HL
Fax 071 873 5938. Letters transmitted should be clearly typed and not hand written. Please set fax for finest resolution

Not worth auditing the auditor

From Mr David Cooksey.

Sir, Observer's suggestion (August 20) that the Audit Commission should take some of its own medicine and be subject to a value-for-money audit was very close to, but a little slow off, the mark. In reviewing our own audit with the National Audit Office earlier this year, we put forward exactly the same proposal. The NAO decided it had more rewarding targets to pursue and declined.

As far as pay and fees go, we are trying to give Mr Norman Lamont a lead. Salaries were increased by 4 per cent in April and we will be proposing a fee increase of less than 2 per cent in November. I make no apologies for Howard Davies's salary rise. It came from my insistence that, for the first time, he should take up his full entitlement to performance-related pay. He richly deserved it.

David Cooksey,
chairman,
The Audit Commission

Bottom holds on the Tokyo exchange

From Mr Henry Scott-Stokes.

Sir, When the Tokyo Stock Exchange was last in difficult straits 27 years ago, the method of support was direct intervention by the Bank of Japan. This time, a range of indirect options have been preferred. The result has been similar: the building in of a bottom. Said bottom was put in place by Governor Yasushi Mieno of the BOJ with a few words to the press after the market closed last Wednesday.

The market is not quite what Anglo-Saxons think stock markets ought to be. It looks overvalued judging by one basic criterion – the price/earnings ratio – but only if one makes no adjustment for cross-shareholdings. The p/e ratios cited by Peter Martin ("Good buys, but a risky business", August 22-23) for Toyota Motor and others have to be reduced to almost half the quoted levels, if one judges by the work of long-time resident pundits.

I suspect Mr Mieno's bottom will hold. As to individual stock quotations, Martin perhaps stretched a point when he quoted some unidentified luminary here as stating that "there is no discipline of valuation in the [Tokyo] market". If so, how would one explain that certain Western fund managers have done well over years, consistently so, while others have crumbled?

Indiscipline?

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Discounting accounting judgment

From Mr Kenneth R Warren.

Sir, The Chartered Association of Certified Accountants published the wrong conclusion, at a cost of £9.95 to readers of its report, that the Select Committee on Trade and Industry "failed to examine the expenditure white papers and annual reports issued by the Department of Trade and Industry" ("Whitehall papers neglected by MPs", August 21). As committee chairman from 1983 to 1992, I can verify it did.

Why the association's researchers did not ask me I do not know. I could have helped them achieve the accuracy accountants require of clients.

Kenneth R Warren,
Woodfield House,
Goudhurst,
Kent, TN17 2NN

Base tax on public results

From Mr George Copeman.

Sir, The most effective way to minimise the creative accounting described by Terry Smith in his book, Accounting for Growth, is to charge corporation tax based on a company's published accounts, as in Germany.

This point was explored by David Waller ("Germans draw line at two sets of accounts", March 19). The Anglo-American world now has one set of accounts for investors and another for the tax man.

There would need to be an adjustment period of about five years to change to a single set of accounts. But a bonus would be more management attention to real organic growth than to financial engineering.

George Copeman,
Moonraker,
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Quality scheme is necessity not luxury

From Mr John Lane.

Sir, Diane Summers' ("Small businesses criticise quality scheme", August 21) exposes the soft underbelly of British industry. The attitude that "we cannot afford to implement a quality scheme" displays negative thinking.

The correct attitude for any forward looking management should be "we cannot afford *not* to implement a quality scheme".

The success of any quality scheme depends on senior managements' embracing the concept of quality and creating a culture within their organisations with which all employees identify.

A formal quality scheme, regularly reviewed to keep pace with changes in the business, is simply the vehicle which allows the company to move towards achieving its quality objectives, whether accredited to BS5750 or not.

Instead of concentrating on calculating the cost of establishing a quality scheme, these managers should also calculate the cost of poor quality to their businesses.

When the advantages that can accrue from a quality scheme are explained, together with the effect on the bottom line, negative thinkers may undergo a conversion.

John Lane,
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Wraysbury,
Staines,
Middlesex TW19 5DA

Marketing strategy before standard

From Mr Sam McCallum.

Sir, You revealed ("Small businesses criticise quality scheme", August 21) that the latest NatWest Quarterly Survey of Small Businesses discovered that many small businesses are, to say the least, disillusioned by the BS5750 quality scheme. Is this surprising when owner-managers of small businesses are encouraged to believe that BS5750 certification is the Holy Grail that solves all marketing problems?

BS5750 needs to be put into perspective. It is important as part of a business's overall marketing strategy, as are product, price, place, promotion and a number of other factors.

It is a business's market orientation which enables it to gain advantage from opportunities identified and strategies developed.

As a business and management consultant, I would strongly advise owner-managers to think twice about BS5750 and consider how it will fit into their overall marketing strategy. If they have not reviewed their strategy, they should do so before doing anything else.

Funding is available from the DTI, through its package of support, for 98 per cent of all UK businesses which come within the broad definition of small and medium-sized enterprises (SME).

Sam McCallum,
senior associate,
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FINANCIAL TIMES
Tuesday August 25 1992

Rightwing riots test German policy towards asylum-seekers

By Leslie Colitt in Rostock

ROSTOCK, scene of last weekend's bloody attacks by extreme rightwing youths on a hostel for east European asylum-seekers, was once East Germany's communist showcase city.

For decades it was a magnet for young East German job-seekers, offering some of the highest wages in its booming port and shipyards and the best living conditions. Today the port is dying. Rostock, like much of the east since unification, is economically depressed, making it fertile ground for the extremists' xenophobic message. The official jobless rate is 17 per cent, but officials admit the real level is closer to 50 per cent.

Mr Rudolf Seiters, the German interior minister, held urgent talks in the city yesterday with Mr Lothar Kupfer, his regional counterpart for the state of Mecklenburg-Vorpommern. Mr Seiters was expected to urge the quick removal of the asylum-seekers to a housing centre outside the city, and late yesterday officials said 150 people were bused to a former military barracks in a different part of Rostock.

Ironically, the riots took place in a model housing estate where former hard-working harbour and shipyard workers now while away the time between collecting their welfare payments.

A block of former flats converted into a centre for Romanian and other east European asylum-seekers in the depressed Rostock-Lichtenberg district was the focal point for the outbreaks which began on Saturday night.

Some 500 young east German demonstrators and rightwing extremists from west Germany tried to storm the hostel, hurling Molotov cocktails and paving stones at more than 600 police officers who responded with water cannon and teargas.

The police only narrowly prevented the assailants from storming the centre. Thirty-five police were injured and 150 rioters taken into custody.

Tension in the area had been building up for weeks. The demonstrators were egged on by thousands of ordinary spectators from Rostock who cheered and shouted "Zigeuner verrecke!" (Death to the gypsies!).

The trouble was partly a result of the authority's mishandling of the asylum influx. Each of Germany's *Länder* (states) has been allocated a quota of the 256,000 asylum-seekers who entered the country last year. In Rostock-Lichtenberg, the hostel's 300 places proved far too few for the demand and more than 100 people, many of them Romanian gypsies, were unable to find a place. They camped out on a lawn opposite some apartment blocks. Sanitary conditions became intolerable.

"People who camp out in front of other peoples' homes arouse aggression," Mr Kupfer declared yesterday. His conclusion was the same as that of a growing number of German politicians, who fear a backlash from ordinary citizens in east and west.

At the weekend, the SPD leadership, under pressure from state authorities, announced an about-turn in their policy on asylum-seekers, saying that immigration must be "braked and controlled".

A 30-foot rental truck lies upside down on top of a building in south Miami in the area worst affected by Hurricane Andrew, the first directly to hit the city in 25 years

Hurricane sweeps towards US cities

Continued from Page 1

Scientists, however, said the storm could make landfall anywhere between the Alabama port of Mobile and Sabine Bay on the Louisiana-Texas border, probably tomorrow night or Thursday.

A substantial part of America's oil refining industry is concentrated on the Gulf coast, in Louisiana and Texas, and officials were yesterday reviewing emergency plans to curtail or shut down plant operations.

Andrew, the first Caribbean hurricane of the season, hit the eastern coast of Florida early yesterday, gusting at up to 165 miles an hour, ripping roofs off houses, smashing cars and trucks, snapping power lines and uprooting trees before heading out over the Gulf of Mexico.

A million people had been ordered to flee their homes in southern Florida as the hurricane moved in from the Bahamas on Sunday.

Huge waves and 120 mile an hour winds lashed Eleuthera at the storm's peak.

The hurricane had concentrated its fury on some of Florida's richest communities such as Key Biscayne and Coral Gables.

Mr Balcombe said said a 15 to 20 foot wall of water had rushed through part of Key Biscayne, destroying valuable golf courses and other tourist businesses in the area. The Florida Power and Light company said its electricity supply system had suffered extensive damage and about 1.2m of its customers, or 32 per cent, were left without power.

Collor

Continued from Page 1

serve as the basis for impeachment. The commission's document will be debated today and the vote for approval will take place tomorrow.

The opposition, which was originally expected to request the beginning of impeachment proceedings later this week, now says it will wait until at least next week.

"I will make the request next week or the week after," said Mr Levenere.

Analysts believe that the opposition wants time to make contact with Mr Collor.

Many opposition politicians have stated that they would rather that Mr Collor resign than initiate a 16-step impeachment process that could last for months.

Mr Collor has said on several occasions that he will not resign.

Amid demonstrations in Rio de Janeiro and São Paulo, the president and his ministers went about their business as usual during the presentation of the draft report.

Mr Collor appeared at a ceremony to announce a package of deregulation measures.

A presidential spokesperson said that Mr Collor would address the nation, probably after tomorrow.

Israel softens stance as peace talks start

Roger Matthews in Washington and Tony Walker in Cairo

MIDDLE EAST peace talks resumed in Washington yesterday amid further evidence of a new Israeli desire to improve the atmosphere at the negotiations.

As delegates arrived at the State Department for the sixth round of talks, it was announced in Jerusalem that an expulsion order against 11 Palestinians made by the previous Israeli government had been revoked.

Dozens of Palestinians have been expelled since the uprising, or intifada, began in late 1987. The expulsions have been condemned as a violation of international law.

The announcement came 24 hours after Israel eased some restrictions on Palestinians living under occupation in the West Bank and Gaza Strip and prepared to release 800 Arab prisoners from jail.

Hopes of a breakthrough at the Washington talks have been raised by the change of government in Israel which brought Mr Yitzhak Rabin to power. He replaced the hardline Mr Yitzhak Shamir who was ideologically committed to retaining control of the West Bank and Gaza Strip.

Mr Rabin has said he would like to negotiate a form of autonomy for Palestinians and to reach agreement on the creation of an interim self-governing authority within nine months.

There have also been indications that Israel has prepared ideas to put to Syria on the future of the Golan Heights, including a partial Israeli withdrawal, demilitarisation, and the possible stationing there of US troops.

Syria is demanding an unqualified Israeli withdrawal citing UN resolution 242 which calls for the return of occupied territories.

Mr Muwaffiq al-Allaf, the head of the Syrian delegation, said yesterday as he went into the talks: "We are here for a comprehensive and total peace, not for a partial peace. The only way to reach a comprehensive peace is to return all the territories occupied in 1967."

Mr Haidar Abdul Shafi headed a reduced Palestinian delegation yesterday. Many of its members had been delayed by a dispute at the weekend with Israeli border officials. The Lebanese and Jordanian delegations were also at the State Department.

UN and EC set terms for Yugoslav talks

By Judy Dempsey and Ivo Dawnay in London

THE UNITED NATIONS and the European Community will ask all parties in the war in former Yugoslavia to accept four basic principles as a means of negotiating a long-term solution to the crisis in the Balkans.

The principles, described by UK officials as a code of "civilised behaviour", will be presented at the UN/EC-sponsored peace conference which opens in London tomorrow.

"All the parties in the former Yugoslavia will be asked to not take territory by force, not to engage in ethnic cleansing, to respect borders, and to improve, and then close all detention centres," a British official said.

But an EC diplomat said any attempt to place all sides in the war in Bosnia-Hercegovina on the same footing would be a "grave mistake".

"The conference is making a serious mistake if it thinks it can spread the share of the blame evenly across all sides," he said. "The Bosnian people, particularly the Moslems, have lost most in this miserable war. Croatia and Serbia have tried to carve up Bosnia between each other. That's the reality," he added.

British officials said by that setting these four principles, the conference chairmen were not intending to establish pre-conditions for attending. "The point is *we have to apply pressure*, even by further sanctions, as a means of ending this bloodshed, and preventing the war from spreading," an official said.

The conference, which is expected to end on Friday, will be chaired jointly by Mr Boutros Boutros Ghali, UN secretary-general, and Mr John Major in his capacity as head of the EC presidency. Mr Major called the conference after the collapse of last month's EC peace talks on the former Yugoslavia in London.

But British and other EC officials yesterday held out little hope that the conference would achieve any success – at least in the short term.

"The conference will be the beginning of a wider, reinvigorated peace process . . . with the UN and EC working together," a UK official said.

Japan, Russia, China, and the Organisation of the Islamic Conference will also be represented at the talks, as will the US.

The presidents of the six republics of the former Yugoslav will attend, as well as Mr Milan Panic and Mr Dobrica Cosic, prime minister and president respectively of the unrecognised Yugoslavia, which now consists of Serbia and Montenegro.

Meanwhile, in the besieged Bosnian capital of Sarajevo, Bosnia's forces continued their offensive aimed at gaining control of the western part of the city.

Kosovo fears grow, Page 2

THE LEX COLUMN

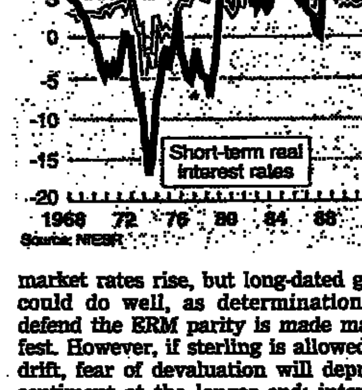
Down with the dollar

Everyone agrees that the dollar looks attractive on the basis of relative purchasing power parities. Just about everyone also agrees, though, that in the short term at least such measures are meaningless. As the US currency dipped below DM1.40 for the first time yesterday, the fear for financial markets and for the authorities on both sides of the Atlantic was that the recent slide could all too easily turn into a free fall. On the evidence of yesterday's half-hearted intervention, central bankers do not yet appear to have the stomach for a fight. The combination of election year pressures in the US and the Bundesbank's intransigence, moreover, means that any immediate narrowing of the short term interest rate differential looks highly unlikely.

The message was not lost on European equity markets yesterday, which fell 3 per cent as measured by the *Eurotrack index of 100 leading companies*. In part the bearish mood reflects the dollar's commentary on the US economy, and its impact on the already much downgraded earnings of Europe's big chemical and pharmaceutical companies. The dollar's demise, however, also exacerbates tensions within the ERM – witness yesterday's French franc and lira weakness – further postponing the day when interest rates generally can resume a downward path.

Given that a rise in UK rates remains in the balance, perhaps yesterday's mere 2 per cent fall in the Footsie could be considered something of an escape. Whereas last year's disappointment over UK corporate earnings growth was compensated for by monetary easing, the market acknowledges that this escape route seems to be firmly closed for the moment.

FT-SE Index: 2311.1 (-54.6)



Gilts

Yesterday's trade figures would have worried the gilts market, had it been prepared to look beyond the fate of the pound. As it was, all eyes were focused on the foreign exchanges, where the weakness of sterling presents a dilemma. Judging by real yields, gilts look attractive, especially with inflation expected to fall further; as if to underline that point, UK institutions were buying as prices fell yesterday. But investors have to weigh against high yields the risk of a rise in base rates and the threat of devaluation.

Should base rates rise, prices of short maturity gilts will fall as money market rates rise, but long-dated gilts could do well, as determination to defend the ERM parity is made manifest. However, if sterling is allowed to drift, fear of devaluation will depress sentiment at the longer end; international investors will not be seduced by real yields of 5 or 6 per cent if they believe a 10 to 15 per cent fall in sterling is around the corner. That worry will keep gilts in check until the French referendum on Maastricht is out of the way.

Assuming the French say "oui", the medium-term outlook for gilts is positive and returns over the next year or so should be good. That said, investors may be well advised to wait – especially as the UK public spending round will follow hard on the heels of the French vote. If opinion polls point towards a French "non", the yield premium which gilts currently enjoy over German bunds will not be enough to protect them.

Cost of capital

If recent work by the National Institute is right, UK companies are far from being bled dry by high real interest rates. As the chart shows, the overall cost of debt and equity capital taken together has been remarkably stable since the late 1980s and is not at present unduly high. The reason is clear: equity capital remains cheap. Indeed, the risk premium over inter-bank lending rates demanded by equity investors is currently around 2 per cent, well below the long-term average.

Whether this state of affairs is sustainable is another matter. On past evidence, the risk premium demanded by equity investors is generally low in periods of low inflation. This could mean that the cost of equity capital will stay down so long as high real interest rates deliver stable prices.

Yet high interest rates have often been part of a virtuous circle encompassing stable prices and efficiency gains in industry leading to a strong earnings recovery. The interim reporting season so far has been notable for some deeply gloomy statements on the earnings outlook, and tentative signs that companies in some sectors are starting to cut productive capacity. It is far too early to predict that the virtuous circle will turn vicious. But if the market concludes that high interest rates are not on this occasion preparing the ground for an earnings recovery, logic dictates that the risk premium and the cost of equity will rise. Investors must hope that real interest rates can fall before this point is reached.

Water sector

Yesterday's statement by Ofwat on the non-core activities of the water companies will have come as little surprise to the market. The regulator signalled his intention to tighten the rules in early May, and licence changes proposed yesterday contain nothing nasty in the fine print. However, the episode underlines Mr Byatt's determination to be tough on cross-subsidies. Detailed scrutiny of transfer pricing and the dividends flowing between the water companies and subsidiaries certainly imply a greater reporting burden. The nagging concern is that the changes mark the start of a more restrictive attitude towards non-core expansion and hence contain the seeds of future conflict.

Tomkins

Footnote to the debate on corporate governance. News yesterday that Tomkins' Mr Gregory Hutchings has been awarded a 54 per cent pay increase puts him third in a league table of top directors' pay at UK engineering and holding companies as a multiple of average employee remuneration. His near-£1m package puts him on a multiple of 60, against 80 at Hanson and 68 at TI Group. Intriguingly five of the top seven companies combined the post of chairman and chief executive, while the other two (Tomkins and Williams) could not be described as overweight with non-executive directors.

World Weather

		°C	°F			°C	°F
				Boulogne	C	18	64
				Brussels	F	20	68
				Budapest	S	27	81
Ajaccio	S	29	84	Buenos Aires	F	20	68
Algiers	S	35	95	Cairo	S	33	91
Amsterdam	C	18	64	Cape Town	R	14	57
Athens	S	34	93	Caracas	C	28	82
Bahrain	S	38	100	Casablanca †	S	26	79
Bangkok	R	33	91	Chicago †	S	21	70
Barcelona	S	29	84	Cologne	C	21	70
Beijing	S	33	91	Copenhagen	S	18	64
Beirut	S	29	84	Corfu	S	31	88
Belfast	C	14	57	Dallas †	S	23	73
Belgrade	S	29	84	Dublin	S	15	59
Berlin	C	20	68	Dubrovnik		–	–
Biarritz	S	27	81	Edinburgh	F	16	61
Bombay	F	30	86	Faro	S	33	91
Bordeaux	S	27	81	Florence	S	31	88

		°C	°F			°C	°F
Frankfurt	C	19	66	Majorca	S	32	90
Geneva	S	28	82	Malaga	S	31	88
Gibraltar	S	25	77	Malta	S	36	97
Glasgow	F	16	61	Manila	C	32	90
Helsinki	R	13	55	Melbourne	S	10	50
Hong Kong	S	29	84	Mexico City	C	20	68
Innsbruck	F	23	73	Miami †	F	24	75
Inverness	F	16	61	Milan	F	29	84
Islamabad	F	36	97	Montreal †	S	19	66
Istanbul	S	28	82	Moscow	F	15	59
Jakarta	C	31	88	Munich	C	21	70
Johannesburg	S	21	70	Nairobi	F	21	70
Lisbon	S	31	88	Naples	F	32	90
London	S	17	63	Nassau	C	32	89
Los Angeles †	S	19	66	New Delhi	F	32	90
Luxembourg	Dr	17	63	New York †	S	22	72
Madeira	F	24	75	Nice	S	27	81
Madrid	S	33	91	Nicosia	S	29	84

		°C	°F			°C	°F
Oporto	S	26	79	Tenerife	S	27	81
Oslo	F	18	64	Tokyo	S	31	88
Paris	C	23	73	Toronto †	C	20	68
Prague	F	21	70	Tunis	S	37	99
Reykjavik	F	12	54	Valencia	S	31	88
Rhodes	S	29	84	Venice	S	29	84
Rio d'Janeiro	C	18	64	Vienna	F	25	77
Rome	S	29	84	Warsaw	F	17	63
Salzburg	F	22	72	Washington †	S	19	66
S'Francisco †	S	12	54	Zurich	F	24	75
Seoul	F	27	81				
Singapore	F	28	82				
Stockholm	F	17	63				
Strasbourg	F	23	73				
Sydney	F	12	54				
Taipei	F	33	91				
Tangier	S	32	90				
Tel Aviv	F	31	88				

Temperatures at midday yesterday
† Noon GMT temperatures
C – Cloudy Dr – Drizzle
F – Fair Fg – Fog H – Hail
R – Rain S – Sunny
Sl – Sleet Sn – Snow
T – Thunder

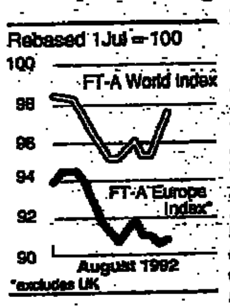
FINANCIAL TIMES
COMPANIES & MARKETS
Tuesday August 25 1992

INSIDE

Maytag plans $95m shake-up

Maytag, the fourth biggest US domestic appliance maker, yesterday predicted a 33 per cent drop in underlying third-quarter earnings and said it would take a pre-tax $95m restructuring charge to cover reorganisation in Europe and the US. Page 15

Europe's fall gathers pace



The downward trend on European equity markets is gathering pace as the weakness in the dollar and sterling, and fears of higher UK interest rates undermine investor confidence. Analysts are warning of a further fall of between 5 per cent and 10 per cent before investors can hope for any sort of recovery. Back Page

Waterford in the balance

The Waterford Crystal factory in southern Ireland last week announced its fifth rationalisation plan in as many years involving redundancies, wage cuts, and a five-year industrial peace agreement. Union rejection of the plan could spell the end of the company and Waterford town's greatest tourist attraction. Page 18

Gloomy figures in France

French companies continued yesterday to report lacklustre sales figures with a number of industrial groups reporting flat or falling sales for the first half of the year. Elf Aquitaine, the state-controlled oil group, added to the gloom by announcing a 23 per cent fall in recurring net income from FFr4.3bn ($860m) in the first half of 1991 to FFr3.3bn in the same period this year. Page 14

Salmon farmers back in the pink

Norwegian salmon farmers, who produce about half of total Atlantic salmon supplies, are poised for an improvement in their fortunes. Demand for their product is expected to outstrip supply this year, in contrast to last year. Page 20

Portugal tempts foreigners

Portugal's government bond market has rallied in the past two weeks helped by cuts in the intervention rate and the Bank of Portugal's plan to lift all capital controls by the end of the year. The rally has been driven by domestic players, but dealers believe the moves could entice some foreigners back. Page 16

Sell-off hurdles in Argentina

Last month Argentina's government announced that the state was taking back 28 per cent of Aerolineas Argentinas, less than two years ago after it sold 85 per cent of the company. The flop could hardly have come at a worse time for the government which is preparing to sell most state companies before the end of the year. Page 15

Japan's life insurers warned

Japanese life insurers face significant challenges to their financial strength this decade, warns Moody's Investment Service, the US credit rating agency. It points to deteriorating asset quality and higher yields on maturing policies. Page 15

Market Statistics

Companies in this issue

Chief price changes yesterday

FRANKFURT (DM)				LSI Logic	5¼	−	⅜
Rises				**PARIS (FFr)**			
Lahmeyer	600	+	10	**Falls**			
Falls				Axa	705	−	61
Asko	870	−	45	Euro Disney	68.2	−	5.2
Continental	229	−	12.5	GTM-Entrepose	360	−	20
Deckel (Fr)	70	−	5	Hachette	110	−	6
Hoechst	231.8	−	7.9	UAP	358.9	−	17.1
Schmbch Lubeca	331	−	14	UFB Locabail	220	−	12
NEW YORK ($)				**TOKYO (Yen)**			
Rises				**Rises**			
Ntheast Bancorp	8⅝	+	⅞	Daiichi Hsng Ln	370	+	80
Falls				Fuji Kisen	315	+	65
Aetna	39	−	1	Nichiei	420	+	85
Amgen	62¼	−	2⅛	Nippon Hsng Ln	401	+	80
Cigna	51	−	⅝	**Falls**			
Daxor	6⅝	−	2	Fuji Electric	480	−	40
				Nitto Boseki	330	−	20
LONDON (Pence)							
Rises				Kingfisher	430	−	23
AerospaceEng	10	+	5	P & O Dfd	317	−	14
Boxmore	165	+	7	RMC	447	−	13
Bulmer (HP)	348	+	8	Redland	381	−	22
Falls				Reuters	1017	−	27
Barclays	281	−	16	Royal Insce	145	−	18
Bass	502	−	19	Rugby	176	−	10
Cable & Wire	495	−	12	Smith (WH) A	364	−	13
CitySiteEsts	36	−	5	Sun Alliance	225	−	15
Courtaulds Txt	379	−	15	Trafalgar Hse	43	−	5
Euro Disney	715	−	78	Vodafone	300	−	16
Geest	324	−	14	Wimpey (G)	99	−	13
Glaxo	701	−	29				
ICI	1089	−	23				

Talks break down between Norwegian insurer, government and creditors

Uni Storebrand shares suspended

By Karen Fossli in Oslo

TRADING was suspended yesterday on the Oslo bourse in the shares and bonds of Uni Storebrand, the beleaguered Norwegian insurer, following a collapse in talks between the company, creditors and finance ministry officials.

The board was working last night to prevent the holding company falling under the administration of the Banking, Insurance Securities Commission, the finance regulator.

The suspension coincided with the disclosure that Uni's holding company is suffering an acute liquidity crisis brought on by NKr3.6bn ($629m) in short-term loans used to finance the company's failed raid on Skandia Forsakrings, Sweden's biggest insurer.

Uni last year paid NKr4.7bn to acquire a 28.3 per cent stake in Skandia but its efforts to force the Swedish insurer into a pan-Nordic insurance alliance were prevented by limited voting rights and Skandia's refusal to co-operate.

Uni confirmed yesterday that the holding company had payments of "some several hundred million kroner" due to creditors this week and further payments due in about two weeks.

Prime Minister Gro Harlem Brundtland was briefed yesterday by Mr Sighjoern Johnsen, the finance minister, on Uni's financial problems.

But, apart from acknowledging hectic meetings at the weekend between Uni, finance ministry officials and banks, the government has so far distanced itself from direct intervention. It has said that Uni's problems cannot be compared with last autumn's bank sector crisis when the state transferred NKr6bn to prop up the banks. The finance ministry said Uni's problems had to be solved by the company, its owners and creditors and declined to comment further.

The finance ministry during the weekend had sought to convince Den norske Bank, Christiania Bank and Sparebanken Nor - known internationally as Union Bank of Norway - to provide NKr500m each in loans to Uni. Talks are understood to have broken down on the government's refusal to provide guarantees for the loans.

Uni's board met yesterday to determine its options to solve the holding company's short-term liquidity problems which threaten plans for a NKr2bn rights issue due this year.

Nominal value of Uni's A-shares is put at NKr20, but they were last traded last Friday at NKr13.30. Uni refused to comment on whether the company was considering writing down the value of its shares below the nominal price.

The company stressed yesterday that the crisis in the holding company did not affect the group's life insurance, non-life and international businesses.

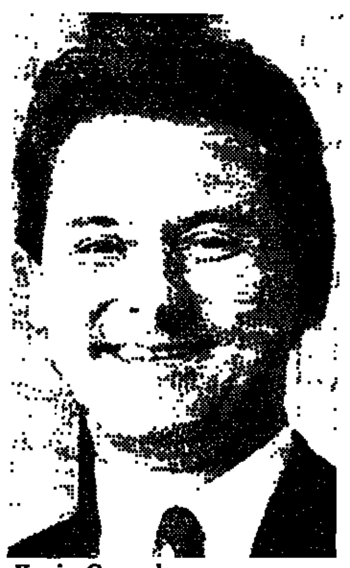
Pohjola results, Page 14

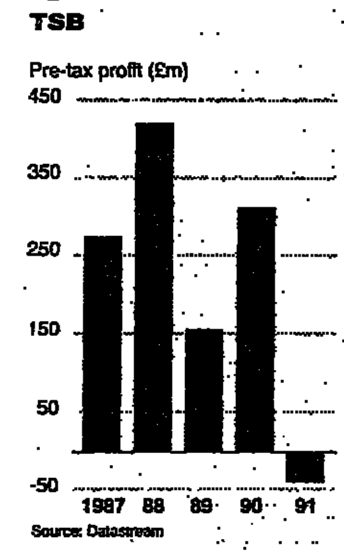
UK bank replaces top manager

David Barchard and Robert Peston on changes at TSB


Peter Ellwood


Don McCrickard


Kevin Gavaghan



Mr Don McCrickard is resigning as chief executive of TSB Group, the UK bank. His departure is the second in recent weeks by one of the senior marketing executives recruited by UK banks from outside the industry in the late 1980s. It reflects the way the banks are shifting their emphasis to a more traditional approach to cutting costs and widening margins.

Mr McCrickard has faced criticism from past and present TSB employees in the wake of the group's 1991 financial results, when it made a loss of £47m. These losses stemmed from bad debt provisions totalling £432m on commercial loans made by its Hill Samuel subsidiary.

Sir Nicholas Goodison, TSB's chairman, said there was "no implication of criticism" in the circumstances of Mr McCrickard's departure. He said that more than six months ago he and Mr McCrickard had come to an understanding that "the task of the chief executive" was about to "substantially change".

Sir Nicholas said that the TSB Group board had approved the change three weeks ago.

Mr McCrickard is to be replaced by Mr Peter Ellwood, a former chief executive of Barclaycard, who is currently responsible for the group's retail banking and insurance operations.

Since TSB came to the stock market in 1986, almost every senior executive has been replaced. Mr Ellwood said that his promotion to group chief executive would lead to another management reshuffle, involving "some elements of fusion between head office in London and the retail bank's head office in Birmingham".

Sir Nicholas praised Mr McCrickard's achievements, which "included radical changes to the management structure of the group, the reversal of strategic direction from a 'broadly based financial services group' . . . and substantial changes to top management".

But Sir Nicholas said that Mr Ellwood – whose expertise is in retail banking, TSB's main business – had become more suited to the role of group chief executive, now that the management structure has been simplified.

Mr McCrickard joined TSB in 1983 and became a group board director in 1987. A marketeer *par excellence*, Mr McCrickard cut his teeth as a businessman in Procter & Gamble and American Express, rather than a provincial bank branch.

He devised the "That'll do nicely" catchphrase which propelled the Amex green card to market leadership in the 1970s and 1980s. Under Mr McCrickard, TSB became "The bank that likes to say yes". As he rose to the top in TSB, almost all the leading figures of the pre-flotation regime were swiftly removed and replaced by a new generation of appointees.

A series of restructuring operations converted an unwieldy patchwork federation of 70 savings banks and other companies into a clearly defined group, with distinct divisions dominated by a centralised retail bank.

In his first year as group chief executive, 4,000 jobs were scrapped. Weak subsidiaries were either sold, such as the Target Insurance Group, or closed. The group emerged with its cost base under much firmer control and able to compete with the other clearers.

However, hardly had TSB retail bank become more efficient than things started to go seriously wrong at Hill Samuel, the loss-making merchant bank which TSB had bought for £777m in 1987.

The problems of Hill Samuel over the last year contrasted with a record of steady profitability at TSB Retail Bank.

Yesterday Mr Ellwood announced three priorities for TSB: to generate a sustainable income through good value for money products; to press ever harder for cost control; and manage risk better.

Sir Nicholas Goodison, TSB's chairman, said Mr McCrickard would "receive compensation within the terms of his contract". His annual pay, in a three year rolling contract, is £245,000, so compensation could approach £750,000.

In addition, Mr McCrickard has 655,000 shares under option. However TSB's share price has performed relatively badly in the five years since the first big grant of options was made to him.

At yesterday's TSB share price of 129p, unchanged on the day, the options were showing a notional profit of approximately £20,000.

Mr McCrickard's departure comes a few days after the resignation of the other arch-marketeer in 1980s UK banking, Mr Kevin Gavaghan, the marketing director of Midland Bank. He devised Midland's widely promoted accounts, under names such as Vector and Meridian.

"The banks and the building societies are suffering from a squeeze on their margins which is forcing them all to reconsider their approach," says Mr John Cheese, marketing director of Barclays Bank.

Observer, Page 11

Rothschilds to bolster bank in Zurich

By Ian Rodger in Zurich

THE shareholders of Rothschild Bank in Zurich (RBZ) will inject new capital into the bank following the discovery of larger loan losses than previously reported.

Sources close to RBZ also confirmed yesterday that loans made by the bank to companies in the troubled York Hannover property group led by Mr Karsten von Wersebe infringed a Swiss Banking Commission regulation.

The regulation requires that no more than the equivalent of 20 per cent of a bank's own capital be lent to a single creditor on an unsecured basis.

Some RBZ loans to York Hannover companies were secured, but the security turned out to be without value.

The loans are believed to total $54m (£28m).

The source said that Mr Jürg Heer, a former RBZ senior executive who was arrested in Zurich early this month on charges related to his conduct at the bank, knew that the loans to these companies were being made, in essence, to one group.

Last month, the bank revealed that a recent credit review had found that some loans were not fully covered and so it quadrupled its annual provisions in the year to March 31, 1992 to SFr99.8m ($76m).

It also dissolved its SFr63.5m in hidden reserves "as a safety measure".

The source would not reveal the level of the bank's capital or the amount of the loans made to York Hannover companies.

He denied reports in Zurich that the total of RBZ's bad loans was in the vicinity of SFr325m.

Even if all questionable loans turned out to be bad, the total would be "considerably less" than that.

He acknowledged that the bad loans total was higher than the amount provided for in the 1991-92 accounts, but it was less than the level of the bank's total capital.

Nevertheless, new capital would soon be put in to the bank by its shareholders, the source said.

A majority of the shares in RBZ is held by Rothschild Continuation, the Swiss holding company which is controlled by the London Rothschild family.

The Paris Rothschild family and Mr Edmond de Rothschild of Geneva also hold minority stakes.

Foreign banks press for full repayment of loans to Efim

By Sara Webb in London and Haig Simonian in Milan

FOREIGN banks which lent to Efim, the Italian state holding company put into voluntary liquidation last month, plan to demand full repayment of their loans at their next meeting with the Italian Treasury.

Bankers representing the international banking syndicates in London stressed their determination to press for full repayment of the loans on which Efim defaulted when they meet representatives from the treasury and the Bank of Italy next week.

However, it is clear each side is trying to play a strong hand ahead of the talks. In Italy, reports have circulated that postponement of the meeting, originally expected this week, stemmed partly from differences among foreign bank creditors. Japanese institutions are said to be particularly hawkish about full repayment, but Italian officials say some US and UK banks are more flexible.

The Italian treasury announced earlier this month bonds would be issued to cover Efim's borrowings. However, to the annoyance of the foreign banks, interest rates on the bonds have been set below market levels.

Treasury officials have hinted they may be prepared to negotiate in the hope of reaching a compromise, but foreign banks said yesterday they wanted full repayment.

"The banks want repayment in full as we don't want to suffer a loss in terms of capital," said one agent bank. "We're not discussing a percentage loss, we feel we should not take a loss at all."

The five-year lira bonds would pay interest at 7.25 per cent annually, while those in ecu would have a 4 per cent coupon. One banker said: "We're being offered an ecu bond paying 4 per cent whereas under normal conditions a five-year ecu bond for Italy would be expected to have a coupon of just over 8 per cent."

The difference in interest rates between the bonds and market levels means creditors will receive only about 80 per cent of the principal and interest that would otherwise have been due.

Efim and its subsidiaries signed several syndicated borrowing facilities with foreign banks. In some cases the wholly owned subsidiaries were able to borrow at competitive rates on the strength of the Efim – and hence Italian state – name, the bankers claim.

Lep spells out pattern of big losses

By Jane Fuller in London

LEP Group, the UK freight forwarding and security concern, incurred large losses partly because of a pattern of providing funding for new ventures disproportionate to its share of the equity.

The catalogue of losses was spelt out to shareholders yesterday at an extraordinary general meeting called to approve a financial rescue.

Among the unfortunate ventures were commercial property development in California, garment companies in the US, Hungary and Malta, and a Tanzanian gold mine.

Often the group had only a minority stake, but a disproportionate liability to provide financial support. Other losses ran to the duty payable on vodka and cigarettes for Soviet soldiers in the former East Germany and the loss on the sale of the company's Lear Jet.

The details of how Lep slid into more than £500m ($1bn) of net debt and £109m of negative shareholders' funds were delivered by Mr David James, chairman.

The rescue proposals, which entail about 25 banks swapping £180m of debt for 85 per cent of the restructured company, were approved.

Last year Lep incurred a loss of £235.1m after £219.4m of exceptional and extraordinary charges. The biggest write-off was the entire US property portfolio, previously valued at £93.4m.

Mr James again warned shareholders that failure to approve the restructuring proposals would lead to the group being wound up.

Among those who would suffer would be the 10,448 employees, trade creditors owed tens of millions of pounds and the company's pensioners. The pension fund's purchases of assets from the company had included an office called Coombe Hill House. Its downward valuation had exposed the fund to a potential deficit of about £6m had the company been wound up. Its continuance left a deficit of less than £1m, which would be restored over the next three years.

ADT, the security group which built up a 27 per cent stake in Lep and has written off £65m as a consequence, abstained in the vote. Mr David Hammond, its deputy chairman, suggested the banks should "take more pain" as they had not written off any money.

Tough task, Page 17

Elf tumbles 23% at interim stage

By Alice Rawsthorn in Paris

ELF AQUITAINE, the state-controlled French oil group, yesterday added to the gloom in France's corporate sector by announcing a 23 per cent fall in recurring net income to FFr3.3bn ($676m) in the first half of 1992 from FFr4.3bn in the same period in 1991.

The fall reflects the depressed tone of the stream of first-half results from French companies.

Elf announced its interim results after the market closed and its share price slipped by just FFr6.4 to FFr309.8 during the day.

The company, one of the first candidates for the French government's partial privatisation programme with the FFr2.08bn sale of 2.3 per cent of its shares, was hit in the first half by the general climate of economic uncertainty, together with the weakness of the US dollar and of refined oil prices.

Group sales rose to FFr98.86bn from FFr92.73bn but operating income slipped to FFr7.91bn from FFr9.87bn (including an exceptional profit of FFr1.01bn on the sale of Esys).

Earnings per share fell to FFr13 from FFr21.

The strongest area of activity was exploration and production where operating income rose to FFr5.06bn from FFr4.54bn, chiefly because of an increase in crude oil production sold and a reduction in exploration expenses.

The only other division to muster an increase in income was human health with a rise to FFr916m from FFr721m.

The refining division saw operating income fall to FFr580m from FFr2.69bn (including the Esys profit), reflecting the reduction in margins from the artificially high levels during the Gulf war in the first quarter of last year.

Chemicals also suffered from a fall in margins, but limited the fall in income to FFr1.31bn from FFr1.86bn. The eliminations division reported a reduction in income to FFr43m from FFr53m.

French results present gloomy picture

By Alice Rawsthorn

FRENCH companies continued yesterday to report lacklustre sales figures with a number of industrial groups, including Compagnie de Navigation Mixte, reporting flat or falling sales for the first half of the year.

Navigation Mixte, which has interests in finance, food and aeronautics, saw its sales muster a negligible increase of less than 1 per cent to FFr8.71bn ($1.74bn) in the first six months of 1992 from FFr8.63bn in the same period of 1991. This means its interim turnover fell below inflation, now running at an annual rate of around 3 per cent in France.

During the half Navigation Mixte, in common with many other French companies, was affected by the sluggish state of France's economy. Low inflation has helped French exporters to win back market share in the international sphere, but their domestic market has been depressed by the high cost of borrowing which has curbed industrial investment and dented consumer confidence.

The CAC 40 Index, which has fallen sharply recently due to the dollar's decline and nervousness about the outcome of next month's Maastricht referendum, as well as the poor interim results, yesterday fell again by 3.12 per cent to reach its lowest level so far this year of 1,680.

Several other French groups yesterday disclosed disappointing interim turnover figures. Gerland, the clothing company acquired by BP France, announced a 2.3 per cent fall in turnover to FFr1.96bn in the first half. Guyomarch, the food and agricultural products group, saw sales fall by 1.8 per cent to FFr3.42bn in the first six months of the year.

Métrologie International, the specialist information company which had warned the stock market it expected a FFr60m interim loss this year, reported an 18.1 per cent reduction in first-half sales to FFr1.74bn. Nord Est, one of the holding companies associated with the Paribas banking group, made sales of FFr1.93bn in the first half of 1992, after making several disposals since last year.

Rabobank growth slows to 2.6% in first half

By David Brown in Amsterdam

RABOBANK, the co-operative bank with strong roots in the Dutch agro-business sector, yesterday reported a modest 2.6 per cent rise in first-half net profit, marking a further slowdown in growth.

Net profit advanced to Fl 544m ($340m) from the Fl 530m reported for the same period last year.

The Netherlands' second-largest bank, Rabobank forecasts full-year profit will rise only "slightly" over the Fl 2.18bn level reported for 1991, with higher funding costs putting profit margins and interest income under further pressure.

Total income rose 7.3 per cent to Fl 3.47bn. The rise in costs was 8.6 per cent to Fl 2.29bn, primarily due to previously agreed pay settlements in the banking sector.

Helped by higher volumes and income from commissions, profit for the six months advanced by 4.8 per cent to Fl 1.17bn, a result directors described as "satisfactory" in light of moderate economic growth and unfavourable interest rate developments.

Lending to the private sector rose by Fl 5bn during the first half to reach Fl 142.7bn, and Rabobank expects "a lower but still not insignificant expansion in the business volume" for the rest of the year.

The bank put its balance sheet total at the end of June at Fl 224bn, against Fl 217bn at the end of 1991.

Stad Rotterdam profits creep up to Fl 42.5m

By David Brown

STAD Rotterdam, the medium-sized Dutch insurance group which is heavily dependent on the domestic market, yesterday reported first-half net profit up 3.9 per cent to Fl 42.5m ($26.23m) from Fl 40.9m.

Group income rose 7 per cent to Fl 1.3bn from Fl 1.2bn and earnings per share stood virtually unchanged at Fl 1.61 against an adjusted Fl 1.60 for the same period a year earlier.

Stad Rotterdam suffered from more frequent and expensive claims in the non-life sector, largely from motorists.

The group expects an "adjustment" in premium rates will be necessary during the second half. Despite difficult conditions, Stad Rotterdam generated higher business volume and reported a 7.1 per cent advance in premium income to Fl 447.2m.

Profit in non-life operations fell by 4.2 per cent to Fl 16.6m. The situation in motor insurance is not expected to improve before next year.

In the life insurance sector, premium income advanced 2.9 per cent to Fl 530.7m, but profit climbed 9.6 per cent to Fl 19.3m.

Income from investments was up 14 per cent to Fl 324.4m, and the group also reported an upturn in profitable mortgage business. Stad Rotterdam reiterated its caution that 1992 earnings per share will be unchanged from the Fl 3.44 of last year.

Linde turns in 3.1% advance at half-time

By Andrew Fisher in Frankfurt

LINDE, the diversified German industrial company, yesterday reported a 3.1 per cent rise in pre-tax profits during the first half of 1992 to DM243m ($152m) and said it expected another satisfactory result for the full year.

Group turnover during the period rose by 12.5 per cent to DM3.5bn and Linde said the figure for all of 1992 should be at least 10 per cent higher than in 1991. Orders were up by 7.2 per cent to DM3.7bn, with the backlog at the end of June totalling DM5.8bn, 11 per cent above the level at the start of the year.

In the group's biggest division, materials handling, turnover eased by 1.4 per cent in the first half to DM1.55bn. Linde said domestic demand remained strong, but some foreign markets weakened.

The company has announced plans to buy control of an Italian company in this sector, Fiat OM Carrelli Elevatori, which has a turnover of DM319m and employs 1,150 people.

Linde's industrial plant operation registered a 29 per cent rise in turnover to DM516m, despite weak investment activity in the chemical and petrochemical sectors. Sales of refrigeration systems were 13 per cent higher at DM408m, with a 36 per cent jump in industrial gas turnover to DM983m, partly reflecting the purchase of a majority stake in Hoek Loos, a Dutch gas company.

Linde said its investments this year would be about DM800m compared with DM711m in 1991.

● HAKO, the electronics retailer, lost DM13.9m in the first half of 1992, compared with a loss of DM22m in the previous corresponding half, Reuter reports from Frankfurt.

Mr Hans Kompernass, management board chairman, said the loss from operations and restructuring measures was DM12.7m. The remaining loss came from write-downs in the value of shares and dollars held.

Atlas Copco goes ahead to SKr603m at six months

By Robert Taylor in Stockholm

ATLAS COPCO, Europe's largest air compressor manufacturer, yesterday reported a 32 per cent increase in profits (after financial items) for the first half of the year to SKr603m ($115m) from SKr458 for the same period of 1991.

Sales climbed by 5 per cent at the same time to SKr7.87bn from SKr7.50bn, while orders rose by 4 per cent to SKr8.57bn from SKr8.24bn. Operating profit increased by 32 per cent to SKr669m from SKr505m.

Earnings per share increased to SKr17.45 from SKr13.60, a rise of 28 per cent.

The return on capital employed over the past 12 months was 14.3 per cent, up from 12.9 per cent, and on shareholders equity 9.8 per cent from 7.8 per cent.

The company reaffirmed an earlier forecast of an improvement in annual profits.

It added that an increase in orders was expected as a result of its acquisition of AEG's power tools operation from January 1 this year.

Despite its strong performance, Atlas Copco said the market for its industrial products continued to be weak with a slight reduction in orders in Germany, which is now its single largest market.

There was a marginal improvement in the US but in Asia the sales trend remained strong although a slow down in demand was noticed in Japan and South Korea.

Trygg-Hansa declines 24%

By Robert Taylor

TRYGG-Hansa SPP, the Swedish insurance group, yesterday reported a 24 per cent drop in operating profit for the first half of the year to SKr894m ($170m), down from SKr1.17bn for the same period of 1991.

But at the same time its subsidiary, the Gota financial group, announced a huge SKr1.11bn loss for the same period, compared with a SKr807m deficit for the first six months of last year.

After a SKr969m injection from a financial insurance package created by Trygg-Hansa this summer to save Gota from collapse, the loss was much less than the SKr2.08bn it would otherwise have been. Gota Bank suffered a SKr884m financial loss in the first half compared with SKr689m for the same period of 1991.

In its property and casualty insurance business Trygg-Hansa SPP increased its income from premiums to SKr3.85bn from SKr3.58bn. Insurance claims increased by 16 per cent to SKr3.14bn from SKr2.71bn due mainly to higher losses in reinsurance but also to a large business volume.

Operating expenses amounted to SKr1.008bn, up from SKr979m. The operating profit amounted to SKr647m, down from SKr1.499bn for the first six months of last year. The fall was blamed on falling share prices.

The main difficulty for the insurance company will continue to lie with Gota which it took into ownership this summer and which forms part of its banking and finance operations.

From the end of last June Gota has been a subsidiary of Trygg-Hansa SPP and its financial results will be consolidated.

Credit losses have been much larger than those sustained by other Swedish banks but with Trygg-Hansa SPP's support it looks in better shape to weather the storm than other commercial banks.

The value of Trygg-Hansa SPP's real estate portfolio declined by 5 per cent in the first six months to SKr159m.

Earlier this month Trygg-Hansa SPP announced a new share issue of not more than SKr2.525bn at SKr36 per share with the subscription period running from September 14 to October 13.

Finnish group suffers FM105m operating loss

By Robert Taylor

POHJOLA, Finland's biggest insurance group, suffered an operating loss of FM105m ($26.2m) in the first half of the year, it reported yesterday. It made a FM1m profit for the same period of 1991. Net investment income dropped to FM234m from FM317m.

The group said it would make a further loss this year. It blamed its first-half deficit on "the unfavourable development of foreign and domestic credit insurance, unrealised losses on investments and the still low level of realised gains".

The group is affected by the wider Nordic insurance company crisis that has hit Uni Storebrand and Hafnia Holdings. With a 10 per cent stake in Skandia, Sweden's severely troubled insurance conglomerate, Pohjola faces further uncertainty in the coming months.

Hungarian glass company fails

SALGGLAS, Hungary's state-owned glassmaker, has failed to reach an agreement with creditors and will be liquidated, Mr Sandor Toth, chief executive, said, Reuter reports from Budapest.

Salgglas – Hungary's sole maker of automotive glass and a major exporter of sheet glass – sought bankruptcy protection in April to seek a way of settling its debt of 1.3bn forints ($17m), half of which is owed to four local banks.

Prices for electricity determined for the purposes of the electricity pooling and settlement arrangements in England and Wales

1/2 hour period ending	Provisional Price for Trading on 25.08.92: Pool purchase price £/MWh	Final Prices for Trading on 20.08.92: Pool purchase price £/MWh	Pool selling price £/MWh
0030	17.86	17.76	17.76
0100	17.86	17.76	17.76
0130	17.86	17.64	17.64
0200	17.86	17.64	17.64
0230	17.86	17.64	17.64
0300	17.86	17.64	17.64
0330	17.86	17.64	17.64
0400	17.86	17.64	17.64
0430	17.86	17.64	17.64
0500	17.86	17.64	17.64
0530	17.76	17.64	17.64
0600	17.76	17.64	17.64
0630	17.86	17.76	17.76
0700	20.46	17.64	17.64
0730	23.53	24.48	28.64
0800	23.86	21.41	23.39
0830	26.53	23.96	28.05
0900	26.55	25.72	27.82
0930	28.09	26.05	28.14
1000	28.10	26.05	28.14
1030	28.09	26.05	28.10
1100	28.10	26.06	28.06
1130	28.10	26.05	28.06
1200	28.10	26.06	28.06
1230	28.09	26.05	28.05
1300	26.54	26.05	28.06
1330	26.53	26.05	28.07
1400	25.66	25.52	27.54
1430	24.78	24.60	26.59
1500	24.78	26.05	28.05
1530	24.78	26.05	28.08
1600	24.78	26.05	28.08
1630	28.01	26.05	28.07
1700	28.01	26.05	28.05
1730	28.01	26.05	28.06
1800	28.00	26.05	28.07
1830	23.88	24.60	26.62
1900	23.63	23.46	25.48
1930	23.06	22.77	24.76
2000	21.69	21.41	23.36
2030	19.98	17.80	17.80
2100	28.00	27.99	30.18
2130	31.27	27.99	30.13
2200	31.27	27.99	30.12
2230	26.61	27.99	30.14
2300	22.51	21.19	23.14
2330	20.61	21.41	23.38
2400	20.42	17.76	17.76

Prices are determined for every half-hour in each twenty-four hour period. Prices are in pounds per megawatt-hour, rounded to two decimal places. To convert prices to pence per kilowatt-hour the decimal point should be moved one place to the left, eg £18.86/MWh becomes 1.886p/KWh. Provision for the determination of pool prices is made in the Pooling and Settlement Agreements which govern the operation of the electricity pool in England and Wales. The Pool Purchase Price is the basis of the majority of payments made to generators in respect of electricity traded through the pool. The calculation of pool prices is a highly complex process the product of which is subject to revision or correction until final pool prices are determined approximately twenty-four days after the day of trading. Accordingly, due to the possibility of their revision and/or correction, no reliance should be placed upon provisional pool prices for any day being the same as final pool prices for that day. Final pool prices are also capable of revision. Pool Selling Price is the price paid by purchasers of electricity under the pool trading arrangements. It is dependent upon the determination of Pool Purchase Price. Further information on pool prices is provided on behalf of the Pool by NGC Settlements Limited. Anyone wishing to receive such information should telephone 0602-456789 between 8.30am and 5.15pm Monday to Friday.

Consolidated Income Statement

SKr million	Jan.–June 1992	Jan.–June 1991	Full year 1991
Sales	5,716	6,321	12,728
Operating expenses, etc.	–4,607	–5,125	–10,333
Depreciation	–469	–472	–936
Operating income	634	724	1,459
Net financial items	6	–33	–80
Share of income in associate companies	98	24	53
Income after financial items	738	715	1,432
Paid tax	–126	–101	–215
Deferred tax	–107	–150	–242
Minority interests	–6	–6	–9
Net income	499	458	966
Net income per share, Skr			
After paid tax	12.70	12.75	25.40
After full tax	10.45	9.65	20.30

Recession forces $95m shake-up at Maytag

By Karen Zagor in New York

MAYTAG, the fourth biggest US domestic appliance maker, yesterday predicted a 33 per cent drop in underlying third-quarter earnings and said it would take a pre-tax $95m restructuring charge to cover reorganisation in Europe and the US.

Mr Leonard Hadley, chief executive, blamed the erosion in earnings on "continued losses in Europe, extra start up costs associated with the new dishwasher facility and the new Magic Chef ranges".

In addition he said the group was hurt by "the stalled US economic recovery and fierce competition in the appliance and floor care industries both here and abroad".

Although analysts had expected a slowdown from Maytag's strong first-quarter growth, yesterday's announcement took Wall Street by surprise. The shares were halted in the morning and had not resumed trading at midday.

In the 1991 third quarter, Maytag earned 23 cents a share and most analysts had expected earnings of about 27 cents in the same period of this year.

The company's balance sheet has been weakened by a string of large acquisitions in the 1980s, including Magic Chef in a $736m stock swap and Hoover for $961m in cash and stock, which significantly increased its debt burden. In addition, Maytag has been hit by the impact of the recession on the appliance industry.

In a move to conserve cash, the company cut its dividend in February, 1991 for the first time since 1946. Mr Hadley said the reorganisation was "an investment in our future, and we expect to recover the charge in approximately three years through improved earnings".

The company said its Hoover operations have been losing money, largely because of excess capacity and the deterioration of economic conditions in the UK and other European countries.

"In the past two years, we have implemented significant cost reduction activities throughout our Hoover Europe operations," Mr Hadley said, "but further reorganisation is necessary. Over-capacity is prevalent in manufacturing throughout Europe, and Hoover is no exception."

He added that the reorganisation would be aimed at reducing production capacity and streamlining sales, marketing, administrative and distribution operations in Europe.

In the US, Maytag plans to consolidate the sales, marketing and most financial and information systems functions of its Magic Chef division into its Jenn-Air division. Its Hoover operations in North America will also be involved in the reorganisation.

Costly flying lesson for the Argentines

John Barham and Peter Bruce examine the part renationalisation of Aerolíneas

THE COLLAPSE of Argentina's first privatisation could hardly have come at a worse moment.

Last month, Mr Domingo Cavallo, Argentina's economy minister, announced the state was taking back 28 per cent of Aerolíneas Argentinas, raising its stake in the national airline to 33 per cent.

Less than two years ago it sold 85 per cent of the company to a consortium led by Spain's Iberia for $810m.

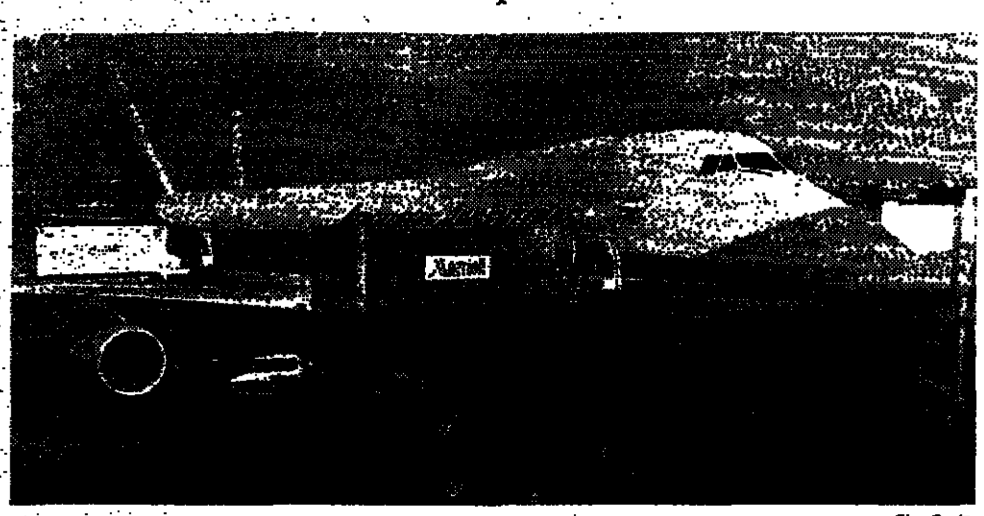
The Aerolíneas flop casts a long shadow over the government's privatisation policies as it gears up to sell nearly all its state companies before the end of the year.

The affair also raises questions about Iberia's expansion strategy of acquiring privatised Latin American airlines. As well as 30 per cent of Aerolíneas, Iberia owns stakes in airlines in Chile, the Dominican Republic and Venezuela.

A day after the partial renationalisation of Aerolíneas came the European Community's approval for a Spanish government injection of $1.26bn into Iberia, which has accumulated pre-tax losses of $1.07bn since 1990.

The losses were mainly caused by fleet expansion and a downturn in tourist flights to Spain, but empire-building in South America hardly helped the bottom line. Nonetheless, Iberia may still bid for more Latin airlines.

The Aerolíneas privatisation was flawed from the start. Iberia was the only bidder for the company. Its local allies were a group of businessmen which included a funfair proprietor and the owner of Austral, Argentina's only other main airline.



Glyn Genin

Reverse thrust: the change of direction casts a shadow over the government's privatisation plans

The sale contract was signed in the dead of night after being repeatedly renegotiated and amended, leading to confusion over the text's meaning.

Although the government won a high price for the airline, it placed a heavy financial strain on the buyers, especially the under-capitalised local investors. Initially it did not allow them to sell, lease or even use Aerolíneas aircraft as collateral for bank loans.

Still, the buyers managed to finance the acquisition with debt, rather than through a debt-equity swap with foreign creditor banks. Soon, all but two Argentine investors abandoned the consortium, leaving 21 per cent of Aerolíneas in the hands of three Spanish banks and an anonymous Argentine living in Spain.

Among those forced out was Mr Enrique Pescarmona, formerly a majority shareholder of Austral. He had used his Austral shares – itself privatised a few years earlier – to pay for his Aerolíneas shares. The result is that Aerolíneas now fully owns Austral, giving it a virtual monopoly over domestic air transport.

Then the consortium began arguing with the government over the sale price and payment terms as its debt load overstretched its finances.

At almost every turn, the government made concessions. But in the end it still had to take back the shares of the insolvent Argentine buyers. Mr Horacio Liendo, chief government negotiator, says that when the government took back their shares, the consortium still owed it $90m.

The government took up new equity issued by Aerolíneas but left unsubscribed by the Argentine investors, by cancelling $21.7m of that debt. Aerolíneas will issue more shares worth more than $145m this year.

Instead of paying cash, the government will maintain its 33 per cent stake by cancelling the remaining $61.8m in debt. The deal will preserve the value of the government's original 5 per cent holding in the company, whose net worth has shrunk to $380m from $623m.

Mr Amadeo Riva, the company's Argentine president, says the endless arguments prevented him from concentrating on running the airline.

He says that persistently rising costs and overstaffing are the main problems at Aerolíneas.

Mr Liendo says rescuing Aerolíneas – rather than allowing it to crash, or scrapping the privatisation and starting from scratch – protected the value of the government's shareholding. However, the Aerolíneas precedent could make it harder to resist rescuing privatised companies that run into trouble in the future.

Once again, the government is the main shareholder in Aerolíneas. The government does not plan to manage Aerolíneas, but wants to recruit professional managers to take its five seats on the 12-member board.

As well as its 33 per cent share, the government also represents the employees who hold 10 per cent of the company. Mr Liendo says "the board will be selected with the same rigour as American Airlines or British Airways. We will look for the best people in the business".

The hope is that Aerolíneas will become profitable, making it easier to attract buyers for the unwanted 52 per cent of the company held by the government and the banks.

That will not be easy: not only is the industry in trouble internationally, but Aerolíneas has not made a profit in its recent history.

The Aerolíneas affair risks bringing privatisation into disrepute in Argentina, and just almost the entire public sector is being privatised.

Mr Cavallo was not responsible for privatising Aerolíneas and has taken a more studied approach to future sales. He says "we have learned from the case of Aerolíneas companies to continue improving the privatisation process and avoid repeating mistakes".

Honeywell settles suit with Nikon

NIKON will pay Honeywell, the US controls group, $45m to settle a lawsuit involving the Japanese camera maker's use of patented auto-focus technology, according to a report filed with Japan's Ministry of Finance, AP-DJ reports from Tokyo.

The Nikon-Honeywell agreement covers the Japanese camera maker's use of the patented technology in cameras from March 1986 through to March this year. For the ensuing period, Nikon will pay an undisclosed amount in royalties until the respective expirations of the patents.

Honeywell brought the suit on March 3 against Nikon and several other photographic equipment manufacturers.

Japan's Canon, in a related but separate move, reported last week that it had reached agreement with Honeywell to settle their legal dispute. The two companies declined to comment on the details, but the pact is reported to involve the cross-licensing of products, positioning Canon to make a profit in the long run.

Mr Shigeo Ono, Nikon's managing director, said the sparsity of overlap between his company's and Honeywell's business activities precluded such an arrangement.

Japanese insurers warned by Moody's of challenges ahead

By Emiko Terazono in Tokyo

JAPANESE life insurers face significant challenges to their financial strength this decade, warns Moody's Investment Service, the US credit rating agency. It points to deteriorating asset quality and higher yields on maturing policies.

The problems of Japanese life insurers, once among the most formidable investors in the domestic and international markets, come as Japanese financial institutions are being forced to cope with the aggressive growth of the 1980s.

The agency said the ratings of Japanese life insurance companies were under downward pressure in the longer term.

In the light of this Moody's said it was reviewing the financial strength rating of three leading life insurers, Meiji Mutual Life Insurance, Sumitomo Life Insurance, and Dai-Ichi Mutual Life Insurance, for possible downgrades from their current ratings of Aaa.

The sharp fall in the stock market has had an impact on insurers since the unrealised gains on their stock holdings, which served as buffers by absorbing losses on investments, has declined sharply.

This has led them to cut sharply the level of new investments in high-risk products, such as stocks and foreign securities.

The life insurance companies also have significant exposure to the faltering domestic property market, through loans to corporations and non-bank financial institutions.

In addition to their problems in the 1980s, life insurers have increased investments in foreign securities and real estate, making portfolios vulnerable to foreign currency movements.

The deterioration of asset quality also comes as the companies face redemptions of the investment type insurance products with higher yields.

Moody's estimates that some Y10,000bn ($79.2bn) of investment type products sold in the 1980s, will mature between this year and 1996. It says that while the life insurance companies have significant liquidity and cash flow, large fund withdrawals will squeeze profitability.

The life assurance industry, one of the country's most tightly regulated financial sectors, also faces pressure from the deregulation.

HK group takes 10% of company in share probe

By Simon Holberton in Hong Kong

FUJIAN Enterprises, the Hong Kong-based conglomerate, has purchased 10 per cent of Allied Group, a company under investigation by the Hong Kong government for its share dealings.

Fujian Enterprises, which paid HK$126.5m (US$16.4m) for the 230m shares in Allied, is owned by the provincial government of Fujian, a province located on the south coast of China.

The company acquired the shares from the family trust of Mr Lee Ming Tee, the chairman of Allied Group. His trust subscribed for 230m shares to rebuild his holding.

Mr Zhou Huiyuan, chairman of Fujian Enterprises, said his company would consider acquiring a further 10 per cent of Allied Group.

The investigation into Allied Group and four other companies associated with Mr Lee is expected to take about six months.

Allied Group has investments in Fujian in a shrimp feedmill and an eel processing plant.

It also is the developer of a golf course in the province.

South China Morning Post gains 9% on year

SOUTH China Morning Post Holdings, the publisher of Hong Kong's leading English-language newspaper, yesterday reported a 9.3 per cent rise in profits to HK$531.7m (US$68.8m) from HK$486.4m in the year to June 30, writes Simon Holberton.

Profits for the company, which is 51 per cent owned by Mr Rupert Murdoch's News Corporation, were struck on a 14 per cent growth in turnover to HK$921.6m from HK$807.5m.

Directors recommended a final dividend of 13 cents a share – up 15 per cent on a year ago – which, with the 17 cents paid at the interim stage makes 30 cents for the year.

South China Morning Post also publishes magazines and books. Last December it paid HK$30m for Wah Kiu Yat Po, a Chinese language daily paper.

● *Far East Consortium International*, a Hong Kong property development and flour mill group, said final profit jumped 31 per cent in the year to March 31 to HK$161m, in spite of a modest fall in turnover.

Turnover was down to HK$364m from HK$393m, a 7.4 per cent fall. The final dividend was an unchanged 8 cents.

Australian coal mining group dips

By Kevin Brown in Sydney

COAL & Allied, the Australian coal mining company, yesterday said net profits fell by A$10m to A$49m (US$35m) in the year to end-June, on turnover down 4.3 per cent to A$615m.

The group, 38 per cent owned by CRA, the Australian mining group, said it expected a flat profit performance over the next 18 months, but forecast an increase in Asian demand after 1994.

Mr Tony Haraldson, chief executive, said South Korea, Taiwan and Japan were experiencing high growth in power demand, and would need to increase generating capacity.

In line with the optimistic long-term outlook, Coal & Allied maintained the final dividend at 35 cents, making a fully franked total of 60 cents for the year, unchanged from the previous year.

"We are very comfortable with the dividend payment and it's a very small drain on our resources," Mr Haraldson said.

He added that the impact of price reductions during 1991 and 1992 was largely countered by reductions in port charges and lower costs. The company, he said, would need to reduce costs further this year to offset "lousy" spot market prices.

Production increased to a record 11m tonnes from 10.5m tonnes in the previous year, but sales fell slightly to 11.1m tonnes from 11.5m tonnes.

Coal & Allied shares closed unchanged at A$9.39 on the Australian Stock Exchange. CRA closed 30 cents lower at A$12.50.

Amcor acquires Leigh Mardon

By Kevin Brown

AMCOR, the Australian packaging group, yesterday said it would pay A$273m (US$196m) for Leigh Mardon, a packaging, communications and printing company with operations in Australia, Singapore and Hong Kong.

Leigh Mardon was sold by Coca-Cola Amatil for A$260m two years ago to a consortium of managers and financial institutions led by SBC Dominguez Barry Capital Partners.

Amcor said it would finance the acquisition largely from its cash reserve of about A$200m, which includes A$177m from the sale in July of its 8.5 per cent shareholding in Mayne Nickless, the Australian transport and distribution group.

Mr Stan Wallis, Amcor managing director, said Leigh Mardon's forecast sales of nearly A$300m this year would shore up the group's "strong flow of earnings" in Australia.

However, the acquisition will also provide a substantial boost to Amcor's plans to expand its Asian packaging materials business.

Mr Ian Wilson, a director of SBC Dominguez Barry, said the consortium had achieved "a satisfactory return" on its investment in Leigh Mardon, in spite of the difficult economic environment. Amcor shares closed seven cents lower at A$7.61 before the acquisition was announced.

Samancor falls 23.5% due to market weakness

By Philip Gawith in Johannesburg

SAMANCOR, the integrated chrome and manganese ore and alloys producer in the Gencor group, saw earnings fall by 23.5 per cent in the year to June on the back of weak international commodity markets. The result was, however, better than market expectations.

Pre-tax income dropped to R384.4m ($138.9m) from R567.4m, including a decline in net interest received to R49.3m from R110.8m.

Turnover rose to R2.06bn from R1.81bn in 1991, but R449m of this increase came from the acquisition of Middelburg Steel and Alloys' (MS&A) ferrochrome operations, the chromite assets of the Rand Mines group and the Manganese Metal Company (MMC). The remaining turnover was actually 11 per cent down on 1991.

Mr Hans Smith, managing director, said if conditions in world commodity markets did not improve, the group would be "hard pressed to maintain the earnings announced." Accordingly the overall dividend was being cut to 90 cents per share from 110 cents per share. Earnings per share fell to 151 cents from 216 cents.

He added that the highlight of the company's performance was its improved cash position, with cash resources rising by R165m to R267m during the second half of the year following a three-month closure of production capacity.

He said this had been achieved despite the fact that Samancor had paid more than R300m in cash for its interests in the Columbus stainless steel joint venture and MMC.

He defended the decision to close capacity saying it had been a successful attempt to generate cash, not an effort to squeeze supply.

Treasuries tumble in wake of dollar's decline

By Patrick Harverson in New York, Angus Foster and Sara Webb in London

FOR the second consecutive trading day US Treasury securities fell across the board in the wake of a sharply declining dollar.

In late trading the benchmark 30-year government issue was down ⅞ at 97[illegible], yielding 7.435 per cent. The two-year note was also notably weaker, down [illegible] at 100[illegible], yielding 4.215 per cent. Selling was particularly heavy in the intermediate sector, with the 10-year bond down a full point at 97[illegible] to yield 6.666 per cent.

GOVERNMENT BONDS

Despite central bank intervention to support it, the dollar has fallen to new all-time lows against the D-Mark in the past two days. That decline has upset bond markets, because a lower dollar reduces the chances of another interest rate cut by the Federal Reserve, it raises the possibility of higher inflation from more costly imports and it also makes US assets less attractive to foreign investors.

Political uncertainty also continues to worry bond markets. After last week's Republican convention President Bush has made up lost ground in the polls but the unpredictable outlook has made Treasury investors cautious about buying government securities.

■ THE EUROPEAN government bond markets were dominated by currency concerns yesterday as the dollar's fall served to heighten tensions in the exchange rate mechanism of the European monetary system.

Concerted central bank intervention failed to provide much support for the US currency, leading to a strengthening of the D-Mark and a weakening of sterling and lira. As a result, the UK and Italian bond markets suffered sharp falls while German government bonds rose as investors were drawn into strong D-Mark assets.

UK government bonds fell as much as a point on fears that sterling's weakness could force a base rate rise and worries about a large gilts auction on Wednesday.

Sterling's close, near the bottom of its EMS band, and rises in money market rates, depressed prices across the yield curve. The 8¾ per cent gilt due 1997 dropped ⅝ to 96[illegible] to yield 9.64 per cent while the 9 per cent gilt due 2008 fell [illegible] to 98¼, with a yield of 9.12 per cent. In active futures trading, the Liffe gilt futures contract fell from 96.217 to 96.05.

Dealers said prices were also adjusted for Wednesday's £2.5bn new gilt issue and would have fallen in spite of sterling's troubles. Some traders said price falls meant the auction would be more attractive, although others said overall market gloom would drag prices further downward.

Among the other European markets, weakness in the lira contributed to the half-point fall in the Italian government bond market yesterday. The futures contract fell from its opening of 93.20 to a low of 92.68 before ending the day at about 92.80.

German government bonds closed higher in quiet trading helped by weakness in the dollar and the Treasury market, and sharp falls in German equities.

The Liffe bund futures contract opened at 87.85 and closed just short of its high for the day at about 88.15. Some dealers said the strength of the D-Mark was attracting some buyers looking for price gains if there is an EMS realignment.

August inflation figures for North Rhine Westphalia were as expected, showing prices up 3.4 per cent in the month to mid-August compared with 3.3 per cent in July. Other states are reporting figures for August over the next few days.

Dealers reported some switching out of French government bonds into German government paper because of the strength of the D-Mark. The yield on the French 8½ per cent bond due 2002 rose from 9.05 per cent at the opening to 9.11 per cent by late afternoon. The 10-year French-German yield spread moved from 109 basis points to more than 120 basis points.

Dutch bonds ended little closed and sentiment was helped in late trading by news of a better-than-expected tap sale. The state finance agency said it raised Fl 2.5bn on the first day of sales for its 8.25 per cent bond due 2007.

■ JAPANESE government bonds closed higher, in spite of a continued rally on the Tokyo stock market, on further hopes of interest rate cuts and a stronger yen.

The benchmark No 129 bond opened with a 4.785 per cent yield and firmed throughout the day to close at 4.715 per cent, before easing to 4.73 per cent in line with a weaker US Treasury market.

The No 145 bond continued to rally in anticipation of becoming the benchmark issue in September, closing at a yield of 4.885 per cent compared with Friday's close of 4.945 per cent.

The Nikkei stock index rose for the fourth consecutive session, adding 411.08 points to close at 16,627.96. But bond dealers said the Nikkei's rally looked vulnerable.

BENCHMARK GOVERNMENT BONDS

		Coupon	Red Date	Price	Change	Yield	Week ago	Month ago
AUSTRALIA		10.000	10/02	110.7939	-0.036	8.40	8.41	8.54
BELGIUM		8.750	06/02	96.4500	-0.100	8.99	8.96	8.94
CANADA *		8.500	04/02	107.9600	-1.000	7.33	7.31	7.62
DENMARK		9.000	11/00	95.5000	-0.620	9.81	9.53	9.29
FRANCE	BTAN	8.500	03/97	95.6374	-0.554	9.64	9.32	9.39
	OAT	8.500	11/02	96.0700	-0.670	9.09	8.91	9.04
GERMANY		8.000	07/02	100.8500	+0.290	7.87	7.94	8.02
ITALY		12.000	05/02	92.7700	-0.830	13.79†	13.62	13.95
JAPAN	No 119	4.800	06/99	100.1545	+0.103	4.77	4.78	5.13
	No 129	6.400	03/00	109.3111	+0.241	4.73	4.80	5.01
NETHERLANDS		8.250	06/02	99.5300	-0.045	8.31	8.31	8.37
SPAIN		10.300	06/02	88.6750	-0.750	12.33	12.04	12.35
UK GILTS		10.000	11/96	100-24	-22/32	9.76	9.42	9.33
		9.750	08/02	102-02	-31/32	9.42	9.22	9.06
		9.000	10/08	98-24	-33/32	9.15	8.96	8.89
US TREASURY *		6.375	08/02	97-25	-37/32	6.69	6.57	6.68
		7.250	08/22	97-21	-34/32	7.44	7.38	7.52
ECU (French Govt)		8.500	03/02	93.8100	-0.920	9.50	9.30	9.48

London closing *New York closing. Yields: Local market standard. † Gross annual yield (including withholding tax at 12.5 per cent payable by non-residents.) Prices: US, UK in 32nds, others in decimal. Technical Data/ATLAS Price Sources

Turkish municipality given BBB debt rating

By Tracy Corrigan

THE Greater Ankara Municipality has been assigned an implied long-term debt rating of BBB by Standard & Poor's, opening the way for the Turkish municipality to borrow in the international capital markets.

Ankara has previously issued private placements in the German and Japanese markets, but has not yet launched public bonds.

The move is part of a broader trend for the decentralisation of funding, which is likely to lead other municipalities, in Turkey and elsewhere, to seek ratings in order to gain access to international markets.

For example, S&P, the US rating agency, is in discussions with several Spanish municipalities over potential debt ratings. In the last few months, both Barcelona and Madrid have issued debt in the Japanese market, and Seville is expected to follow suit.

"Ankara's investment grade rating will clearly enhance its access to international markets," said Mr Charles Hulac, a manager in the corporate credits department of Nomura International.

The implied rating is the same as for the Republic of Turkey, based on support provided to the city by the central government, the state's active involvement in monitoring Ankara's borrowing and investment programmes, the health and stability of the city's economy and its solid financial performance over the past several years.

In the past, Turkish municipalities have been funded largely by transfers from central government. However, the large costs of much-needed improvements to infrastructure in cities such as Ankara has encouraged a diversification of financing sources.

"An ambitious infrastructure development programme, including a subway and light rail system and various urban renewal projects, will increase the city's debt burden during the next few years," S&P said.

Portugal tempts foreign investors

By Sara Webb

PORTUGAL'S government bond market has seen a sharp rally in the last fortnight, helped by two cuts in the intervention rate and the Bank of Portugal's plan to lift all capital controls by the end of the year.

The rally in fixed rate and floating rate bonds has been driven by domestic players, but dealers believe the recent moves could help to entice some foreigners back into Portugal's high-yielding debt instruments.

The Bank of Portugal cut its intervention rate for lending to commercial banks by three-quarters of a point to 17 per cent on August 12, and then by a further point to 16 per cent a week later on August 19. Dealers believe that further rate cuts are on the cards: "We've had indications from the central bank that the intervention rate could be down to around 13 per cent by the end of the year," said Mr Alex Mitcheson-Smith, analyst at Paribas Capital Markets.

The reduction in interest rates sparked a surge in Portuguese domestic fixed rate bonds.

Although foreign investors are allowed to buy fixed rate Portuguese bonds, the market is rather illiquid and – according to dealers – not very attractive to foreign investors because they have to pay a 20 per cent withholding tax of which a maximum of 10 per cent is reimbursed. As a result, foreigners can obtain higher net yields from Italian and Spanish bonds at present.

In addition to lower interest rates in Portugal, dealers are keen to see the lifting of controls on capital as promised by the Central Bank earlier this month.

The first step, on August 31, is the abolition of the requirement for Portuguese companies which borrow in foreign currencies to deposit the equivalent of 25 per cent of the amount in escudos with the Bank of Portugal in an interest-free deposit.

However, of more relevance to foreign investors is the plan to allow non-residents to buy floating rate government bonds (known as Fips) with effect from October 31. In addition, they will be allowed full access to Portugal's domestic money market with effect from December 31.

Foreign investors were avid buyers of Fips in early 1991, but in July 1991 the Bank of Portugal banned foreigners from buying these high-yielding instruments because it was concerned about the speculative inflows of capital.

News that foreigners will be allowed once again to buy Fips lifted bond prices. Yields on five-year Fips have fallen from 17 per cent before the announcement to about 15 per cent at the end of last week in anticipation of demand from foreigners.

While dealers are pleased with the recent moves they warn that many foreign investors are wary about the high-yielding markets at present because of uncertainty over the future of the Maastricht Treaty on European economic and monetary union.

Deutsche Finance adds DM500m tranche to issue

By Tracy Corrigan

ACTIVITY in the Eurobond market was depressed by weak government bond markets as the dollar hit an all-time low against the D-Mark yesterday.

Deutsche Finance, an arm of Deutsche Bank, added a further DM500m tranche to a recent DM500m five-year issue. The deal was aimed at German and Swiss retail investors, and was expected to be comfortably placed through Deutsche's retail network.

INTERNATIONAL BONDS

Elsewhere, Banco Quilmes, Argentina's fourth largest private bank, launched its first Eurobond offering, a $20m two-year deal arranged by Chemical Investment Bank.

The Bank of Scotland has arranged two programmes, one for Euro-notes and one for notes in the US private placement market under rule 144a.

● Turkish banks, seeking to lower the cost of their funds and increase liquidity in financial markets, have turned their eyes to asset-backed securities – a new instrument defined in a capital markets decree last month, Reuter reports.

Privately owned Interbank last week inaugurated the first asset-backed security with a TL4.25bn offer based on its leasing receivables. The issue, between one and 10-month maturities bearing a net annual interest rate of 72.36 per cent, was sold out on the first day of the offer.

Key one-year bank deposit rates are around 70 per cent to 74 per cent and three-month repurchase agreements can currently earn 73 per cent.

Pamukbank will today launch the first TL100bn part of a planned TL2,000bn securitisation backed by consumer credits and mortgages. The three-month paper will bear 67.13 per cent interest against 62 per cent Pamukbank offers on deposits.

Leading high-street bank Yapi ve Kredi will securitise an entire TL1,000bn consumer credit portfolio next month.

Mr Yaman Asikoglu, head of Turkey's Capital Markets Board, said export receivables of companies and credit sales by debt-ridden state-enterprises would also be eligible for securitisation. Asset-backed securities are mainly expected to replace bank deposits and become a new vehicle to increase liquidity in Turkish financial markets by recycling idle loans and thus easing deposit interest rates.

NEW INTERNATIONAL BOND ISSUES

Borrower	Amount m.	Coupon %	Price	Maturity	Fees	Book runner
US DOLLARS						
Mizuno Finance(a)†‡	50	(b)	100	1997	25bp	Banca Del Gottardo Lux.
Banco Quilmes(b)†	20	10	99.558	1994	1%	Chemical Inv. Bank
D-MARKS						
Deutsche Finance(c)†	1bn	8½	102.3	1997	2/1¼	Deutsche Bank

‡ Floating rate note. †Final terms. a) Coupon pays 50bp above 6-month Libor. Non-callable. b) Coupon payable semi-annually. Non-callable. c) Amount increased from DM500m. Issue price increased from 102. Non-callable.

CBOT postpones contract

By Tracy Corrigan

THE Chicago Board of Trade has postponed the September 25 launch of a homeowners' insurance futures contract, the first derivative instrument based on insurance.

Instead, the contract will be launched at the end of the year, in conjunction with so-called catastrophic insurance futures and options, designed to hedge underwriting risk associated with unexpected disasters.

The homeowners' contracts had met with some scepticism from the insurance industry, on the grounds that they would duplicate the function of reinsurance.

The catastrophic contracts will be based on quarterly insured catastrophic losses across the US and in three regions (eastern, mid-western and western).

MARKET STATISTICS

FT/ISMA INTERNATIONAL BOND SERVICE

Listed are the latest international bonds for which there is an adequate secondary market. Closing prices on August 24

U.S. DOLLAR STRAIGHTS	Issued	Bid	Offer	Chg. day	Yield
ABN 9 1/8 94	200	107¼	108½		4.83
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

OTHER STRAIGHTS	Issued	Bid	Offer	Chg. day	Yield
COPENHAGEN TEL 8 5/8 96 LFr	600	98¼	99¼	+¼	9.04
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

DEUTSCHE MARK STRAIGHTS [illegible]

SWISS FRANC STRAIGHTS [illegible]

YEN STRAIGHTS [illegible]

FLOATING RATE NOTES [illegible]

CONVERTIBLE BONDS [illegible]

STRAIGHT BONDS: The yield is the yield to redemption of the bid-price; the amount issued is in millions of currency units. Chg. day = Change on day. FLOATING RATE NOTES: Denominated in dollars unless otherwise indicated. Coupon shown is minimum. Spread = Margin above six-month offered rate (three-month §above mean rate) for US dollars. C.cpn = The current coupon. CONVERTIBLE BONDS: Denominated in dollars unless otherwise indicated. Cnv. price = Nominal amount of bond per share expressed in currency of share at conversion rate fixed at issue. Prem = Percentage premium of the current effective price of acquiring shares via the bond over the most recent price of the shares.

RISES AND FALLS YESTERDAY

	Rises	Falls	Same
British Funds	0	72	4
Other Fixed Interest	0	12	3
Commercial, Industrial	62	655	720
Financial & Property	31	402	368
Oil & Gas	3	37	46
Plantations	1	1	7
Mines	13	62	74
Others	3	67	48
Totals	113	1,308	1,270

LONDON RECENT ISSUES

EQUITIES

[illegible]

FIXED INTEREST STOCKS

[illegible]

RIGHTS OFFERS

[illegible]

[illegible] Dividend and yield based on prospectus or other official estimates for 1992-93. H Dividend and yield based on prospectus or other official estimates for 1991. L Estimated annualised dividend, cover and p/e based on latest annual earnings. M Dividend and yield based on prospectus or other official estimates for 1991-92. N Dividend and yield based on prospectus or other official estimates for 1992. Q Gross. R Forecast annualised dividend, cover and p/e ratio based on prospectus or other official estimates. W Pro Forma figures. ‡ Offered to holders of ordinary shares as a "rights". † Introduction. § Placing price. †† Reintroduction. ‡ Unlisted securities market. ♦ Issued in connection with reorganisation, merger or takeover. pm Price at a premium. ■ Units comprising 4 Ords. and 7 Zero Div. Prefs. and 4 Stepped Pref shares.

TRADITIONAL OPTIONS

- First Dealings August 17
- Last Dealings August 28
- Last Declarations Nov. 12
- For settlement Nov. 23

3-month call rate indications are also shown on this page.

Calls in: Acorn Comp., Airtours, Gestetner, Ladbroke, Medeva, Rosehaugh and Tiphook. Puts in: Kingfisher and Tiphook.

LIFFE EQUITY OPTIONS

[illegible]

Option		Calls			Puts		
Bass (*500)	500	26	35	42	18	27	31
	525	13	–	–	32	–	–
C & Wire (*495)	460	47	58	69	7	14	18
	500	21	35	47	23	33	35
Courtaulds (*451)	420	43	55	64	6	12	15
	460	17	30	42	23	28	31
Com. Union (*454)	420	47	60	60	5	8½	15
	460	17	33	37	19	24	32
Fisons (*160)	160	18	27	32	15	23	26
	180	12	18	23	28	34	38
GKN (*365)	360	22	35	38	11	16	22
	390	9½	19	23	34	33	40
Grand Met. (*410)	400	28	73	–	11	6	–
	425	14	56	–	22	12	–
I.C.I. (*1088)	1050	71	105	120	17	28	48
	1100	40	74	88	37	50	71
Kingfisher (*430)	420	30	45	56	15	19	23
	460	12	25	35	36	42	45
Ladbroke (*139)	130	19	22	26	10	15	18
	140	13	17	21	15	19	24
Land Secur (*359)	330	38	42	47	3	6	7½
	360	15	21	28	12	17	19
M & S (*284)	280	18	25	32	8½	14	15
	300	8	16	22	19	24	26
Sainsbury (*447)	420	40	51	59	6	11	13
	460	14	26	36	23	28	31
Shell Trans. (*452)	430	39	46	48	5½	8	15
	460	10½	21	24	23	26	36
Storehouse (*117)	110	14	17	21	4	7	8
	120	7½	12	14	8	14	13
Utd. Biscuits (*295)	280	24	30	34	6½	11	16
	300	12	18	23	17	20	27
Unilever (*931)	900	60	77	95	11	20	26
	950	29	47	67	32	31	47

Option		Nov	Feb	May	Nov	Feb	May
Brit Aero (*204)	180	38	46	48	17	23	27
	200	28	36	40	29	33	38
	220	18	28	31	42	45	50

Option		Nov	Feb	May	Nov	Feb	May
Guinness (*519)	500	42	55	63	15	20	26
	550	15	29	37	44	47	51
GEC (*224)	220	16	21	25	6½	9½	12
	240	7	11	16	19	20	23
Hanson (*186)	180	14	18	22	6	9	10
	200	5	9	12	17½	20	22
LASMO (*135)	130	18	26	29	12	15	19
	140	14	20	24	17	20	26
Lucas Inds (*98)	90	13	15	16	8	8½	11
	100	7	10	11	14	15	16
P. & O. (*317)	300	35	47	53	22	22	29
	330	19	32	37	37	44	45
Pilkington (*85)	80	15	17	21	7	11	13
	90	10	13	16	13	17	18
Prudential (*231)	220	19	26	27	7	10	15
	240	10	15	17	18	19	23
R.T.Z. (*514)	500	37	53	62	16	24	29
	550	15	28	35	46	51	55
Scot. & New (*421)	420	25	34	43	16	21	24
	460	8½	17	25	45	45	47
Tesco (*223)	220	17	22	27	9½	14	16
	240	6½	13	16	24	26	29
Thames Water (*433)	420	28	37	46	10	13	15
	460	9	17	25	33	36	38
Vodafone (*299)	280	32	40	45	7½	13	15
	300	20	29	34	16	20	24

Option		Sep	Dec	Dec	Sep	Dec	Dec
Abbey Nat. (*255)	220	38	45	50	1	3	5
	240	19	29	35	2½	6½	11
	260	5½	17	23	10	14	19
Amstrad (*21)	15	7	7½	8	1½	2	2
	20	3	4½	5½	2	4	4½
	25	1	3	4	6	7	8
Blue Circle (*166)	140	29	31	35	1½	4½	6
	160	11	17	23	6	11	14
	180	2½	8½	14	21	24	25
British Gas (*243)	240	9½	13	22	4½	12½	16
	260	3	7½	14	19	27	28
Dixons (*197)	180	21	30	34	3½	7	11
	200	7½	18	24	9½	13	18

Option		Calls			Puts		
R. Royce (*135)	130	9	14	17	3	7	10½
	140	3	10	13	9½	13	16
Scottish Power (*184)	180	6½	9	11	7	9	11
	190	2	5	–	16	16½	–
Sears (*66)	60	8	10	12	2½	5	6
	70	2½	5	6½	7	10	11
Forte (*129)	120	13	20	25	4½	10	12
	130	7	15	20	7½	15	17
Thorn EMI (*692)	669	34	–	–	6	–	–
	719	9	–	–	31	–	–
TSB (*128)	120	11	17	19	2	5	7½
	130	3½	11	13	5½	9	12
Vaal Reefs (*537)	35	5½	7½	8	1½	2½	3½
	40	2	4½	5½	2½	5	6½
Wellcome (*804)	800	25	57	82	18	45	54
	850	7	36	60	54	72	82

EURO FT-SE INDEX (*2300)

	2125	2175	2225	2275	2325	2375	2425	2475
CALLS								
Sep	202	153	110	74	45	25	13	6
Oct	228	183	143	109	78	55	35	24
Nov	246	–	168	–	102	–	60	–
Dec	260	–	185	–	120	–	70	–
Mar	295	–	225	–	155	–	110	–
Jun	–	–	250	–	190	–	135	–
PUTS								
Sep	10	15	20	34	57	85	122	165
Oct	25	32	40	67	73	110	129	165
Nov	32	–	50	–	85	–	138	–
Dec	34	–	50	–	88	–	132	–
Mar	45	–	65	–	95	–	140	–
Jun	–	–	70	–	100	–	138	–

FT-SE INDEX (*2300)

	2100	2150	2200	2250	2300	2350	2400	2450
CALLS								
Sep	225	180	135	96	60	36	19	9
Oct	245	202	162	126	95	69	48	32
Nov	265	224	187	150	118	91	67	49
[illegible]								
PUTS								
Sep	8	14	17	28	47	72	108	151
Oct	20	28	35	48	68	92	121	160
Nov	26	33	46	59	77	102	130	165
Dec	30	40	50	64	82	105	133	170
Jan †	–	–	–	–	105	–	155	–

August 24 Total Contracts 23,793
Calls 13,506 Puts 10,287
FT-SE Index Calls 8,000 Puts 6,003
Euro FT-SE Calls 341 Puts 502
*Underlying security price. † Long dated expiry months. Premiums shown are based on closing offer prices.

TRADITIONAL OPTION 3-month call rates

	p								
■ INDUSTRIALS		Charter Cons.	37	Ladbroke	18	Sears	8½	■ OILS	
Allied-Lyons	49	Comm Union	34	Legal & Gen	29	SmKl Bchm A	60	Aviva Pet	25
Amstrad	6	Courtaulds	43	Lex Service	22	TI	55	BP	18
Astec (BSR)	3	Eurotunnel	32	Lloyds Bank	32	TSB	11½	Burmah Castrol	46
BAT Inds	58	FKI	6	Lonrho	12	Tesco	22	Conroy Pet	6½
BOC	53	FNFC	7	Lucas Inds	12½	Thorn EMI	63	Gaelic Res	½
BTR	36	Forte	19	Marks Spencer	27	T & N	11½	Premier Cons	2¾
Barclays	29	GKN	33	Midland Bank	30	Unilever	70	Shell	35
Blue Circle	24	Gen Accident	38	NatWest Bank	26	Vickers	15	Tuskar Res	½
Boots	34	GEC	17	P & O Dfd	37	Wellcome	25	■ MINES	
Bowater	60	Glaxo	52	Racal Elect	5½	■ PROPERTY		RTZ	47
Brit Aerospace	26	Grand Met	38	RHM	18	Brit Land	18		
British Steel	7	GRE	13	Rank Org	55	Land Sec	39		
BT	25	Hanson	18	Ratners	3	MEPC	26		
Cadburys	38	ICI	95	Reed Intl	44				

Epwin moves ahead with 7% advance to £1.31m

By Peter Pearse

EPWIN GROUP, the maker of PVC-u windows and doors, "is a business with stamina", said Mr Jim Rawson, chairman, as he revealed a 7 per cent increase in pre-tax profits for the first half of 1992.

Profits of £1.31m (£1.23m) were struck on turnover 4 per cent up at £20.5m (£19.7m), though last time's pre-tax line included a £200,000 provision to cover the design, marketing and development costs of a new window for sale to the new build market.

Currently this market accounts for almost no turnover at Epwin and Mr Rawson said the company "had gone out on a bit of a limb financially" with the new product. However, he added that two of the top 10 house builders were giving it trials.

The profits rise was spread across the group's other two markets - home improvements and the public sector - which account for 80 and 20 per cent of turnover respectively.

Mr Rawson said that the latter market had had "a good run" in the late-1980s before the introduction of poll tax, but that "it was now falling off a bit".

Plastiseal, a rival in this market, went into receivership last week.

In home improvements, the group gained market share and held its prices. In March, it moved up to the main market and launched a successful £5.4m rights issue to fund the initial tranche of the £9.9m planned capital expenditure for 1992-93.

Mr Rawson said that there was no recovery forecast for 1992 and that in value terms the market fell 14 per cent in 1991.

The interim dividend is held at 2.1p, payable from earnings per share slightly lower at 5p (5.2p) reflecting the increased capital.

Aerospace Engineering pushed into the red

AEROSPACE Engineering incurred a pre-tax loss in the year to April 30 as exceptional rationalisation and redundancy costs of £981,000 partially offset reduced administration expenses and interest charges.

The Wiltshire-based company's continuing activities - it is now concentrating on the electronics and aerospace sectors - incurred a loss of £64,000 against a pre-tax profit of £2.24m last time.

Discontinued activities produced a reduced deficit of £166,000.

Losses per share were 0.39p (earnings of 4.38p). A final dividend of 0.5p (1.56p) is recommended, making a total of 1p (3.12p).

The figures were in line with warnings that the second half was unlikely to show any improvement on the loss-making first six months, and the share price doubled to 10p yesterday.

"We are still experiencing recession in most of our markets and cannot predict the timing of any economic recovery," said Mr John Davis, chairman. "It seems unlikely that there will be any overall improvement in the economic environment in 1992."

The loss-making John Curran business has been sold, leading to a reduction in borrowings of £585,000. Group borrowings overall have been cut by £1.9m.

Following the failure of attempts to find buyers for the VFP Fluid Power, VNE (Nuclear) and Ray Technologies companies, and the better performance turned in by these subsidiaries in the second half, they will now be amalgamated into one operating company on a single site.

Extraordinary costs of £1.28m related to the sale and closure of business activities.

Trevor Humphries

Tough task ahead for Lep chairman

ONE OF the questions asked of Mr David James, right, at yesterday's Lep EGM, was whether he would have time for the onerous task he had taken on, bearing in mind his other chairmanships at Davies & Newman and Eagle Trust, writes Jane Fuller.

Part of his reply was that "I probably work not less than an 80-hour week." His fees at Lep are £35,000 a month.

Altogether, the professional charges for the restructuring amounted to £10.3m, which Mr James acknowledged might be "a hard pill to swallow" for shareholders.

They will have a chance to consider the 1991 accounts at another extraordinary meeting, once the finalised figures have been signed off by accountants Touche Ross.

Mr James mentioned that the new board would be reviewing the accounts from previous years.

There was an "enormous amount of investigative work" to do to see whether any of the losses might be recovered. He had brought in a small team of new executives, who were on subsidiary boards.

Two new non-executive directors would be appointed shortly.

Of the directors facing shareholders with him yesterday, Mr Michael Kirkman, second from left, was re-elected at the brief annual meeting that followed the EGM.

Also pictured, from left, are Mr Philip Hampton, a non-executive who was not standing for re-election, Mr John East, finance director since December 1988, and Mr Peter Percival, company secretary since May 1978.

Underwriters take bulk of Birkby rights

BIRKBY'S fully underwritten £6m rights issue has been completed with valid acceptances being received in respect of 1.02m shares, or 15.2 per cent.

This included 1m shares for which Birkby, until June a private company into which Finlan Group reversed, had received from Finlan shareholders. Some 5.71m shares will be allocated to the sub-underwriters.

Finlan was a property and building materials group. Birkby is a rental group providing managed workspace, vehicle hire and instalment credit to small businesses in the M62 corridor.

Mr William Cran, chief executive, said the rights proceeds would eliminate group borrowings, including Finlan's £425,000 debt to FennoScandia Bank, and provide working capital.

Hey & Croft

Shares of Hey & Croft, the loss-making property company, were yesterday suspended at 16p.

The company - quoted on the USM - said the decision was made pending clarification of its financial position.

Stock Exchange keeps close watch on Alliance

By Peggy Hollinger

THE STOCK Exchange is keeping a close watch on events at Alliance Resources, the oil and gas company which faces a winding up order from its former broker, Girozentrale Gilbert Eliott.

A letter signed by Mr John O'Brien just five days before he became chairman of the London-listed company in May, sets out proposals for an eventual all-paper bid by Alliance for the unlisted Manx Petroleum. The letter describes an offer of 11 Alliance shares for every Manx share.

Mr O'Brien wrote the letter in his capacity as managing director of Manx, the resource company which is chaired by entrepreneur Mr Algy Cluff.

The letter also sets out terms for a $200,000 (£105,000) loan to Alliance, and arranges for monthly management fees of £10,000 to be paid to Manx. These fees are to be paid in arrears beginning in April 1993, according to the letter. The document also proposes a capital reorganisation to enable Alliance to issue more shares.

The Stock Exchange is believed to be aware of the contents of the letter, and the fact that the details were not made known to shareholders. However, since Mr O'Brien was not a director of Alliance when the letter was written, the company has not violated the Class Four rule. This requires that transactions between connected parties be disclosed to shareholders and possibly be subject to their prior approval.

The Stock Exchange is believed to have had extensive discussions with Alliance and its current brokers, Shepards, over the conduct of future transactions between the two companies.

Should any offer for Manx eventually be made, a Class Four circular and an extraordinary meeting could be required.

Alliance, formerly a Canadian company called United North American Resources, came to the London market in March 1991 with a capitalisation of £8.8m. The shares were floated at 40p. It is in dispute with Gilbert Eliott over fees arising from the flotation. The broker has lodged a petition to wind Alliance up, failing payment of the fees.

Alliance operates oil and gas assets in Louisiana, but has been unable to develop them fully after incurring debts in its flotation. Manx, which was spawned by Cluff Resources and operates from Cluff's offices, claims a 5 per cent interest in a gas licence in the Netherlands as its main asset.

Claremont purchase

Claremont Garments has acquired Alexander Milnes for some £2m cash. Milnes makes women's coats and jackets for customers such as Marks and Spencer and C&A.

Yeoman postpones shareholder votes

By Philip Coggan, Personal Finance Editor

YEOMAN Investment Trust has postponed for a week the shareholder votes on plans to extend the life of the split capital trust until 1999.

The votes were deferred when it became clear that Orion Insurance, which owns 24.1 per cent of the income shares, intended to vote against the proposals, thus ensuring defeat for the board's plans.

Orion said it was unhappy about the level of capital cover on the revamped income shares.

It was also concerned about the effect of corporate dividend cuts on the trust's income stream.

Attempts will be made this week to try to place Orion's shares in the market, before the extraordinary meetings resume on September 2.

Majorities of 75 per cent of income and capital shareholders are needed to pass the resolutions.

Yeoman was due to be wound up this year.

Instead, under the proposals, capital shareholders were offered the chance to convert their shares into zero dividend preference shares; up to 70 per cent of the latter could then be realised for cash.

Income shareholders were not offered a cash exit.

French eyes on Forte offshoot

FORTE, the hotels group, said Sodexho, the French catering company, has expressed an interest in buying Gardner Merchant, its contract catering subsidiary, writes Michael Skapinker.

The UK group said the French company was one of several which had approached it to discuss acquiring Gardner Merchant but that negotiations were some way from completion. Talks aimed at selling Forte's contract catering business to Compass Group of the UK and ARA Services of the US broke down last month when the two sides failed to agree on a price.

Mr Rocco Forte, chief executive, said he would like to sell Gardner Merchant while retaining Forte Airport Services, which provides in-flight catering for airlines.

He has said he would eventually like to see the airline catering business floated, with Forte retaining a stake.

FT GUIDE TO WORLD CURRENCIES

The table below gives the latest available rates of exchange (rounded) against four key currencies on Monday, August 24, 1992 . In some cases the rate is nominal. Market rates are the average of buying and selling rates except where they are shown to be otherwise. In some cases market rates have been calculated from those of foreign currencies to which they are tied.

COUNTRY		£ STG	US $	D-MARK	YEN (X 100)
Afghanistan	(Afghani)	99.25	49.7618	35.4464	39.9396
Albania	(Lek)	216.70	108 649	77.3928	87.2032
Algeria	(Dinar)	40 45	20.2807	14 4464	16.2776
Andorra	(Fr Fr)	9.5325	4.7793	3.4044	3.836
	(Sp Peseta)	180.70	90.5991	64.5357	72.7162
Angola	(Kwanza)	1052.60	527.751	375.929	423.581
Antigua	(E Carr $)	5.3190	2.6668	1 8996	2.1404
Argentina	(Peso)	1.9590	0.9822	0.6996	0.7883
Aruba	(Florin)	3 5265	1.7681	1.2594	1.4191
Australia	(Aus $)	2.7880	1.3978	0.9957	1.1219
Austria	(Schilling)	19.705	9.8796	7.0375	7 9295
Azores	(Port Escudo)	246 00	123.339	87 8571	98 9939
Bahamas	(Bahama $)	1.9945	1	0.7123	0.8026
Bahrain	(Dinar)	0.7425	0 3722	0 2651	0.2987
Balearic Is	(Sp Peseta)	180.70	90.5991	64 5357	72 7162
Bangladesh	(Taka)	76.25	38 2301	27.2321	30.6841
Barbados	(Barb $)	3.9620	1.9864	1 415	1.5943
Belgium	(Belg Fr)	57.80	28 9796	20.6428	23.2595
Belize	(B $)	3.94	1.9754	1.4071	1 5855
Benin	(CFA Fr)	476.625	238.97	170.223	191.801
Bermuda	(Bermudian $)	1.9945	1	0.7123	0.8026
Bhutan	(Ngultrum)	55.7850	27.9694	19.9232	22.4486
Bolivia	(Boliviano)	7.7715	3.8964	2.7755	3.1273
Botswana	(Pula)	4.0485	2.0298	1.4458	1.6291
Brazil	(Cruzeiro)	9582.60	4804 51	3422.36	3856.18
Brunei	(Brunei $)	3.1880	1.5983	1.1385	1.2828
Bulgaria	(Lev)	40.10	20.1052	14.3214	16.1368
Burkina Faso	(CFA Fr)	476 625	238.97	170.223	191.801
Burma	(Kyat)	11 2275	5.6292	4.0098	4.5181
Burundi	(Burundi Fr)	393.25	197.167	140.446	158.249
Cambodia	(Riel)	1635 00	819.754	583.929	657.948
Cameroon	(CFA Fr)	476.625	238.97	170.223	191.801
Canada	(Canadian $)	2 3710	1.1887	0.8467	0.9541
Canary Is	(Sp Peseta)	180 70	90.5991	64.5357	72.7162
Cp Verde	(CV Escudo)	123.20	61.7698	44	49.5774
Cayman Is	(CI $)	1.6745	0.8395	0.598	0 6738
Cent.Afr. Rep	(CFA Fr)	476.625	238 97	170.223	191.801
Chad	(CFA Fr)	476.625	238.97	170.223	191 801
Chile	(Chilean Peso)	731 85	366.934	261.375	294.507
China	(Renminbi Yuan)	10.5130	5.2709	3.7546	4.2305
Colombia	(Col Peso)	1231.50	617.448	439.821	495.573
CIS	(Rouble)	1 0494o	0.5261	0.3747	0.4222
		314.42m	157.644	112 293	126 527
Comoros	(CFA Fr)	476.625	238 97	170.223	191.801
Congo (Brazz)	(CFA Fr)	476 625	238.97	170 223	191.801
Costa Rica	(Colon)	266 20	133.467	95 0714	107 123
Côte d'Ivoire	(CFA Fr)	476.625	238.97	170.223	191.801
Cuba	(Cuban Peso)	1 4920	0.748	0.5328	0.6004
Cyprus	(Cyprus £)	0 8270	0.4146	0.2953	0.3327
Czechoslovakia	(Koruna)	53.07c	26.6081	18.9535	21.3561
		51.24t	25 6906	18 3	20.6197
Denmark	(Danish Kroner)	10.8250	5.4274	3.866	4 3561
Djibouti Rep	(Djib Fr)	345.00	172.976	123.214	138.833
Dominica	(E Carrib $)	5 3190	2.6668	1.8996	2 1404
Dominican Rep	(D Peso)	25.1765	12.6229	8.9916	10 1313
Ecuador	(Sucre)	2870.10o	1439.01	1025.04	1154 97
		3260.35a	1634.67	1164.41	1312.01
Egypt	(Egyptian £)	6 54	3 279	2.3357	2.6317
El Salvador	(Colon)	15.8470	7.9453	5.6596	6 377
Equat'l Guinea	(CFA Fr)	476.625	238.97	170.223	191.801
Ethiopia	(Ethiopian Birr)	4.0560	2 0335	1 4485	1.6321
Falkland Is	(Falk £)	1 00	0.5013	0.3571	0 4024
Faroe Is	(Danish Kroner)	10.8250	5 4274	3.866	4.3561
Fiji Is	(Fiji $)	2 6605	1.3339	0 9501	1.0706
Finland	(Markka)	7.7290	3 8751	2.7603	3.1102
France	(Fr)	9 5325	4.7793	3.4044	3.836
Fr. Cty/Africa	(CFA Fr)	476.625	238.97	170.223	191.801
Fr. Guiana	(Local Fr)	9 5325	4.7793	3.4044	3.836
Fr Pacific Is	(CFP Fr)	168.00	84 2316	60	67 6056
Gabon	(CFA Fr)	476.625	238.97	170.223	191.801
Gambia	(Dalasi)	17.5035	8 7758	6.2512	7.0436
Germany	(D-Mark)	2.8000	1.4038	1	1 1267

COUNTRY		£ STG	US $	D-MARK	YEN (X 100)
Ghana	(Cedi)	875.50	438.957	312.679	352.314
Gibraltar	(Gib £)	1.00	0 5013	0.3571	0.4024
Greece	(Drachma)	347 30	174.129	124.036	139.759
Greenland	(Danish Krone)	10.8250	5 4274	3 866	4 3561
Grenada	(E Carr $)	5.3190	2.6668	1.8996	2.1404
Guadaloupe	(Local Fr)	9.5325	4 7793	3.4044	3.836
Guam	(US $)	1.9945	1	0.7123	0.8026
Guatemala	(Quetzal)	10.2345	5 1313	3.6551	4.1185
Guinea	(Fr)	1600.20	802.306	571.5	643.944
Guinea-Bissau	(Peso)	9850 00	4938 58	3517 86	3963.78
Guyana	(Guyanese $)	243.30	121.985	86.8928	97.9074
Haiti	(Goude)	9 85	5	3.5178	3.9637
Honduras	(Lempira)	10.9390	5.4845	3.9067	4.402
Hong Kong	(HK $)	15.3835	7.7129	5.4941	6.1905
Hungary	(Forint)	155.20	77.8139	55.4285	62.4547
Iceland	(Icelandic Krona)	106.215	53.2539	37.9339	42.7424
India	(Indian Rupee)	55.7850	27.9694	19.9232	22.4486
Indonesia	(Rupiah)	4017.30	2014.19	1434.75	1616.62
Iran	(Rial)	2800 0v	1403.86	1000	1126.76
		121.20o	60.7671	43.2857	48.7726
Iraq	(Iraqi Dinar)	0.5936	0.2976	0.212	0.2388
Irish Rep	(Punt)	1.0565	0.5297	0.3773	0.4251
Israel	(Shekel)	4.78	2.3965	1.7071	1.9235
Italy	(Lira)	2134 00	1069.94	762 143	858.753
Jamaica	(Jamaican $)	44.9150	22.5194	16.041	18 0744
Japan	(Yen)	248.50	124.593	88.75	100
Jordan	(Jordanian Dinar)	1 3095	0.6565	0.4676	0.5269
Kenya	(Kenya Shilling)	64.6150	32.3965	23.0767	26.002
Kiribati	(Australian $)	2.7880	1 3978	0.9957	1.1219
Korea North	(Won)	4 2355	2.1235	1.5126	1.7044
Korea South	(Won)	1557.10	780.697	556.107	626.6
Kuwait	(Kuwaiti Dinar)	0.57875	0.2901	0.2066	0.2328
Laos	(New Kip)	1408.55	706.217	503.054	566.821
Lebanon	(Lebanese £)	4713 10	2363 05	1683.25	1896.62
Lesotho	(Maluti)	5.4960	2 7555	1 9628	2.2116
Liberia	(Liberian $)	1.9945	1	0 7123	0.8026
Libya	(Libyan Dinar)	0.5190	0.2602	0.1853	0.2088
Liechtenstein	(Swiss Fr)	2.4750	1.2409	0.8839	0.9959
Luxembourg	(Lux Fr)	57.80	28.9796	20.6428	23.2595
Macao	(Pataca)	15.7345	7.8889	5.6194	6.3317
Madagascar	(MG Fr)	3030.00	1519.18	1082.14	1219.32
Madeira	(Port Escudo)	246.00	123 339	87.8571	98.9939
Malawi	(Kwacha)	7.5895	3.8052	2.7105	3 0541
Malaysia	(Ringgit)	4.9545	2.484	1.7694	1.9937
Maldive Is	(Rufiya)	20.7640	10.4106	7.4157	8.3557
Mali Rep	(CFA Fr)	476.625	238.97	170.223	191.801
Malta	(Maltese £)	0.5830	0.2923	0.2082	0.2346
Martinique	(Local Fr)	9.5325	4 7793	3.4044	3.836
Mauritania	(Ouguiya)	152.80	76 6106	54 5714	61.4889
Mauritius	(Maur Rupee)	28 8410	14.4602	10.3003	11.606
Mexico	(Mexican Peso)	5938.95	2977.66	2121.05	2389 92
Miquelon	(Local Fr)	9.5325	4.7793	3 4044	3 836
Monaco	(French Fr)	9.5325	4.7793	3.4044	3.836
Mongolia	(Tugrik)	78 80	39 5086	28.1428	31.7102
Montserrat	(E Carr $)	5.3190	2.6668	1.8996	2.1404
Morocco	(Dirham)	15 60	7.8215	5.5714	6.2776
Mozambique	(Metical)	5358.30	2686.54	1913 68	2156 26
Namibia	(S A Rand)	5.4960	2.7555	1.9628	2.2116
Nauru Is	(Australian $)	2.7880	1.3978	0.9957	1.1219
Nepal	(Nepalese Rupee)	91.8610	46 0571	32.8075	36.9661
Netherlands	(Guilder)	3.1550	1.5818	1.1267	1.2696
N'nd Antilles	(A/Guilder)	3 5265	1.7681	1.2594	1 4191
New Zealand	(NZ $)	3 6950	1.8525	1.3196	1.4869
Nicaragua	(Gold Cordoba)	9.85	4.9385	3.5178	3.9637
Niger Rep	(CFA Fr)	476.625	238.97	170 223	191.801
Nigeria	(Naira)	36.3270	18.45	12.9739	14 6185
Norway	(Nor. Krone)	11.1050	5.5678	3.966	4.4688
Oman	(Rial Omani)	0.7595	0.3807	0.2712	0.3056

COUNTRY		£ STG	US $	D-MARK	YEN (X 100)
Pakistan	(Pak. Rupee)	49 70	24.9185	17 75	20
Panama	(Balboa)	1 9945	1	0 7123	0 8026
Papua New Guinea	(Kina)	1 8505	0 9278	0.6608	0 7446
Paraguay	(Guarani)	2939.60	1473 85	1049 86	1182.94
Peru	(New Sol)	2 46	1 2333	0 8785	0 9899
Philippines	(Peso)	47.55	23 8405	16 9821	19 1348
Pitcairn Is	(£ Sterling)	1 00	0 5013	0 3571	0 4024
	(NZ $)	3.6950	1 8525	1.3196	1.4869
Poland	(Zloty)	26362 0	13217.3	9415	10608 5
Portugal	(Escudo)	246.00	123 339	87 8571	98.9939
Puerto Rico	(US $)	1.9945	1	0 7123	0.8026
Qatar	(Riyal)	7.1695	3.5946	2.5605	2.8851
Reunion Is. de la	(F/Fr)	9.5325	4 7793	3.4044	3.836
Romania	(Leu)	749.36q	375 713	267 629	301 553
Rwanda	(Fr)	266.50	133.617	95 1785	107.243
St Christopher	(E Carr $)	5 3190	2 6668	1.8996	2.1404
St Helena	(£)	1.00	0 5013	0 3571	0.4024
St Lucia	(E Carr $)	5 3190	2 6668	1 8996	2.1404
St Pierre	(French Fr)	9.5325	4.7793	3 4044	3 836
St Vincent	(E Carr $)	5 3190	2 6668	1 8996	2.1404
San Marino	(Italian Lira)	2134.00	1069 94	762.143	858.753
Sao Tome	(Dobra)	472.80	237.052	168.857	190.262
Saudi Arabia	(Riyal)	7.3880	3 7041	2.6385	2.973
Senegal	(CFA Fr)	476 625	238.97	170 223	191.801
Seychelles	(Rupee)	9.6925	4 8596	3 4616	3.9004
Sierra Leone	(Leone)	975.15	488 92	348.268	392.414
Singapore	($)	3.1880	1.5983	1.1385	1.2828
Solomon Is	($)	5.7325	2 8741	2 0473	2.3068
Somali Rep	(Shilling)	5161.40	2587 82	1843 36	2077 02
South Africa	(Rand)	5.4960c	2 7555	1 9628	2.2116
		7 4165g	3 7184	2 6487	2.9845
Spain	(Peseta)	180.70	90 5991	64 5357	72 7162
Spanish Ports in N Africa	(Sp Peseta)	180.70	90 5991	64 5357	72.7162
Sri Lanka	(Rupee)	86.90	43 5698	31.0357	34.9698
Sudan Rep	(Dinar)	19.70	9.8771	7 0357	7.9275
Surinam	(Guilder)	3 5165	1.763	1.2558	1 415
Swaziland	(Lilangeni)	5.4960	2.7555	1.9628	2.2116
Sweden	(Krona)	10.2375	5 1328	3.6562	4.1197
Switzerland	(Fr)	2.4750	1.2409	0.8839	0.9959
Syria	(£)	39.8925	20 0012	14.2473	16.0533
Taiwan	($)	49 95	25 0438	17.8392	20.1006
Tanzania	(Shilling)	629.60	315.668	224 857	253 36
Thailand	(Baht)	50 25	25 1942	17 9464	20.2213
Togo Rep	(CFA Fr)	476.625	238 97	170 223	191 801
Tonga Is	(Pa Anga)	2.7880	1 3978	0 9957	1 1219
Trinidad/Tobago	($)	8.3725	4 1977	2.9901	3.3692
Tunisia	(Dinar)	1.6110	0 8077	0 5753	0.6482
Turkey	(Lira)	13796.20	6917 12	4927.21	5551.79
Turks & Caicos	(US $)	1.9945	1	0 7123	0.8026
Tuvalu	(Australian $)	2.7880	1.3978	0 9957	1.1219
Uganda	(New Shilling)	2330.65	1168 54	832 375	937 887
U A E	(Dirham)	7.2345	3.6272	2 5837	2 9112
United Kingdom	(£)	1.00	0 5013	0.3571	0.4024
United States	(US $)	1.9945	1	0.7123	0.8026
Uruguay	(Peso)	6252.25	3134 75	2232 95	2516
Vanuatu	(Vatu)	222.05	111.331	79 3035	89.3561
Vatican	(Lira)	2134.00	1069.94	762 143	858 753
Venezuela	(Bolivar)	133.95	67 1596	47 8392	53.9034
Vietnam	(Dong)	21473 00	10766.1	7668 93	8641 05
Virgin Is-British	(US $)	1.9945	1	0.7123	0.8026
Virgin Is-US	(US $)	1.9945	1	0.7123	0.8026
Western Samoa	(Tala)	4.8140	2.4136	1.7192	1.9372
Yemen (Rep of)	(Rial)	31.6185	15 8528	11.2923	12 7237
Yemen (Rep of)	(Dinar)	0.9160	0 4592	0.3271	0.3686
Yugoslavia	(Dinar)	394.00	197 543	140.714	158.551
Zaire Rep	(Zaire)	1312000.0	657809	468571	527968
Zambia	(Kwacha)	351.65	176 31	125.589	141.509
Zimbabwe	($)	9.5050	4 7656	3.3946	3 8249

Special Drawing Rights August 21, 1992 United Kingdom £0.751787 United States $1.45546 Germany D Mark 2 11173 Japan Yen183.825
European Currency Unit Rates August 24, 1992 United Kingdom £0.724833 United States $1.42720 Germany D Mark 2.03090 Japan Yen178.756

Abbreviations: (a) Free rate; (b) Banknote rate; (c) Commercial rate , (d) Controlled rate; (e) Essential imports; (g) Financial rate; (h) Exports, (i) Non commercial rate; (j) Business rate. (k) Buying rate; (l) Luxury goods; (m) Market rate; (n) Public transaction rate; (o) Official rate, (p) preferential rate; (q) convertible rate; (r) parallel rate, (s) Selling rate; (t) Tourist rate (u) Currencies fixed against the US Dollar (v) Floating rate ;
Some data supplied by Bank of America, Economics Department, London Trading Centre. Enquiries: 071 634 4360/5.
Monday, August 24, 1992

Tomkins chief hoists salary to near £1m

By Roland Rudd

MR GREG Hutchings, chief executive of Tomkins, the industrial conglomerate, had his pay hoisted 54 per cent to £995,000 in the year to May 2, according to the annual accounts published yesterday.

Mr Hutchings defended the increase which was significantly larger than the 18 per cent rise in full year profits to £132m.

He said "I am judged continually by results which are in the interests of shareholders; if there is nothing for the shareholders there is nothing for management."

Mr Hutchings said there were no service contracts for any of the managers, making it clear that the group would not put up with poor performance.

The main reason for Mr Hutchings' biggest ever pay award was the increase in incentive compensation – calculated by the increase in share price, earnings per share and dividend – which rose from £203,000 to £492,000.

"Its been a very good year for us which has obviously benefited me. One shareholder has already congratulated me on my salary increase."

With more than 70 per cent of profits and sales in the US, Mr Hutchings said he was keen to make a UK acquisition which was beginning to look a more realistic objective as the recession continued.

"It is interesting that the share prices of many UK companies have come back to more realistic levels over the past few months.

"The price of some of the companies we are looking at still need to fall a bit but there are now more opportunities".

Ideally, he wants to make his enterprise 40 per cent UK, 40 per cent US and 20 per cent from the rest of the world, which implies sizeable acquisitions.

However, he made it clear that he would not be rushed into a big UK acquisition.

"We have been lucky enough to generate sufficient cash not to need an acquisition. If we had been forced to do one in the UK six months ago we would now look pretty stupid."

Tomkins has not made any substantial acquisitions since it bought Philips Industries of the US in 1990. Mr Hutchings said it does not need another sizeable acquisition to meet its target of out-performing the UK market in earnings per share growth.

See Lex

Lionheart bucks sector trend to advance to £1.1m

DESPITE THE impact of recession on the home improvements and DIY sectors and discounting by multiple retailers, Lionheart raised pretax profits from £768,000 to £1.1m for the six months to June 30.

"Our three main businesses of home improvements and DIY, housewares and retail systems have all been profitable in the first half," said Mr Paul Lever, executive chairman.

"Provided the normal seasonal up-turn in trade materialises from September through to November, I expect a continuing improvement during the rest of 1992."

Following a return to the dividend list in April after a three year absence for reconstruction, there will be an interim of 0.2p.

Sales were ahead at £21.5m (£11m), against £32.3m for the last full year.

The re-organisation of the housewares division is now nearly complete, following the purchase of Croydex, the bathroom and household products company, from Hanson for £7.7m a year ago.

Earnings per share came out at 0.48p (0.57p).

Beverley to reorganise to pay dividends

By Peter Pearse

BEVERLEY GROUP has announced proposals for a capital reorganisation to enable it to pay dividends.

In April, under its old Petrocon name, it failed to acquire James Wilkes, a rival engineering group, in a hostile £35m bid.

In its recently published 1991 accounts, Beverley, which was acquired by Petrocon in March for £2.68m, revealed a deficit on the profit and loss account reserves of some £6.68m making dividend payments impossible until future profits had paid off the shortfall.

To rectify this, the board has proposed reducing the share capital and writing off the share premium account. This will result in a small reserve of about £699,000 against which goodwill from future acquisitions can be written off. The ability of the company to distribute this reserve will be restricted by undertakings to the High Court.

Under the reorganisation, which is subject to shareholder approval at an extraordinary meeting on September 15, existing shares of 12½p will be sub-divided into one new ordinary of 7½p and one deferred of 5p.

Rights on the 7½p shares will be no different from those on the existing shares, but they will be nominal on the deferred.

If the High Court allows, the deferred shares will then be cancelled – reducing the aggregate nominal value of the shares in issue from £4.35m to £2.61m – and the £6.58m standing to the credit of the share premium account written off.

After the cancellation of the deferred shares, there will be a £400,000 difference between the authorised and the issued ordinary share capitals. At the EGM the board will seek approval to allot shares up to an aggregate nominal amount of £130,000 until the annual meeting in 1993.

Yesterday Beverley's shares were unchanged at 10p.

Making management options crystal clear

Tim Coone on the latest phase of Waterford's rationalisation proposals

THE TOWN of Waterford in southern Ireland, was first known for its port rather than its famous crystalware factory which, just a few years ago, employed a third of the town's workforce.

The main road through the town, even today, leaves an overriding visual impression of maritime bustle and cargo ships harnessed by hawsers to the high street.

For the coachloads of foreign tourists though, the magnet for their attention is the factory of Waterford Crystal, the troubled division of Waterford Wedgwood, the Irish luxury crystal and ceramics manufacturer.

Last week the crystal division announced its fifth rationalisation plan in as many years. The plan involves 500 redundancies by January from the 1,900 workforce, across-the-board wage cuts, and a five-year industrial peace agreement. The redundancy scheme becomes compulsory next year. Rejection of the plan by the trade unions could mean the death-knell for Waterford, one of Ireland's best known companies and exporters.

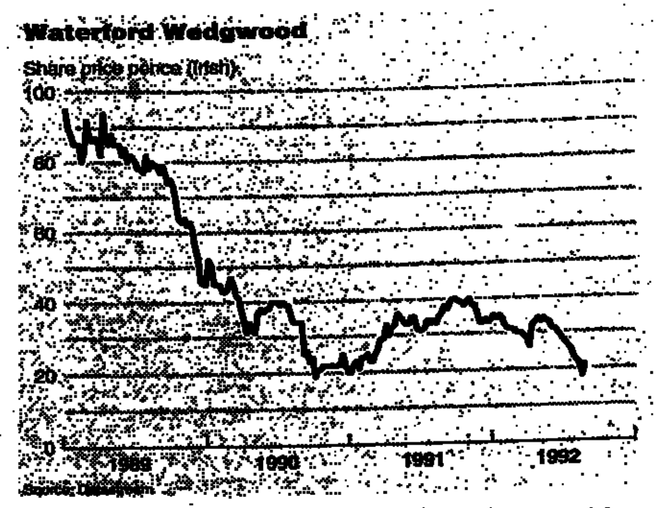
At the height of the tourist season, there can be more visitors to the factory in one day than there are people working in it. Now looking more like a live exhibition in a museum, the glassblowers and cutters perform their tasks impassively in front of silver-haired couples from the US, excitable groups of gesticulating Italian teenagers, and wide-eyed Japanese who ask their tour guides why men and not machines do these jobs.

Over in the office buildings Waterford's management team has been struggling with the same question. Chronic cost problems have been developing for many years but were masked in the late-1980s by the booming market for luxury goods. The group's results were also helped by contributions from Wedgwood, the English fine china maker it acquired for I£260m in 1986.

But from that high point, life for the company has been far harder.

To bolster the group's finances in 1990, Mr Tony O'Reilly, the Irish businessman, and Morgan Stanley, the US investment bank, between them took a 29.9 per cent stake for I£80m. And Waterford and Wedgwood were separated into two virtually autonomous units.

Patrick Galvin: another strike could finish the company



Waterford Crystal has lost I£66m in the past six years. Rising costs, declining markets, and growing competition, exacerbated by the recession, have gouged the company's balance sheet and forced a major reappraisal of the company's future.

Some 1,000 of the workforce were laid off during 1987 and 1988, bringing numbers down to 2,300. Then as further rationalisations and pay cuts were planned in 1990, the employees revolted, ensuing in a bitter 14-week strike which cost the company I£10m. A voluntary redundancy scheme has seen a further 400 go since then and short-time working was introduced in 1991.

A year ago the company introduced its new "Marquis" range into the US market and has had considerable success with it. Cut by machine in Germany and Portugal, and made of lighter crystal than the traditional ranges made at Waterford, it is marketed under the Waterford label but is cheaper and aimed at the lower end of the market.

Losses have been trimmed substantially, falling to I£1.2m last year. But sales of the traditional lines have failed to pick up, necessitating further restructuring.

Encouraged by its success with the "Marquis" range, the company is now in the process of introducing more stemware from Germany, partly machine-manufactured, and which will substitute for some of the ranges currently being produced at Waterford.

The redundancies and sourcing of stemware from outside Ireland has deeply upset the trade union, although reaction on the shop floor is one of resignation. "We knew it was coming. It was just a matter of when," said one cutter who has worked 20 years for the company.

Fifteen to 20 years' service with the company is typical for most of the glassblowers and cutters, all of whom have had to complete five-year apprenticeships to gain their status as craftsmen. Most are middle-aged with families and outstanding mortgages, and have few possibilities of finding alternative employment.

Yet the onward march of technology and mass production techniques are making their skills redundant. The replacement of ceramic cutting wheels with diamond ones over the past two years for example has vastly increased productivity. The present redundancy plan calls for a shedding of 180 of the 280 cutters' jobs.

The trade union, while recognising the problem, has not ruled out the possibility of industrial action if the workforce decides to press for better redundancy terms and job guarantees for the remaining 1,400 employees.

Mr Pat Fitzgerald, chairman of the factory's branch of the Amalgamated Transport and General Workers' Union said: "This is the fifth plan to save the company. The trouble is we don't believe it is going to consolidate the workforce at 1,400. The sourcing of stemware from Germany may end up in further job losses. Come again in 18 months time, and we'll probably be down to 900". Mr Patrick Galvin, Waterford's chairman and chief executive, warned last Friday that another strike would most likely finish the company.

Labour relations at Waterford Crystal have thus arrived at a showdown. Acceptance of the new rationalisation plan by the workforce will give the company a new lease of life, although it is becoming increasingly apparent that lower-cost manufacture abroad will steadily displace production at Waterford.

Market research has shown that most customers do not identify the brand name with Ireland. Production could therefore be gradually moved to a country of lower labour costs, such as parts of eastern Europe where there is already a tradition of crystal manufacture, without affecting the brand image. This would seem to be a logical and probable strategy, perhaps eventually only retaining a much-reduced core of craftsmen to supply products for the most up-market segments.

Sensing this to be the case, the union might prefer to opt for a radical solution rather than a slow death of the factory by a thousand cuts. The question then is could the company itself survive, shifting production of its products to a foreign base in a much shorter period of time? Clearly some tough negotiations lay ahead.

NEWS DIGEST

Beauford cuts loss to £218,000

BEAUFORD, a designer and manufacturer of material handling equipment and machine tools, reported a reduced loss before tax of £218,000 for the six months to June 30.

That compared with a deficit of £240,000 in the first half of the previous year and with losses of £1.86m in the second six months.

Turnover was £21.3m (£26.5m).

The company also announced that it was proposing to sell its 51 per cent stake in Bliss, the loss-making metal forming machine manufacturer, for an aggregate cash consideration of £628,116 to a new company established for this purpose.

The disposal follows the sale in May of Kamat, another loss-making company. Proceeds of the disposals will be used to reduce borrowings which will be reduced to about £13.3m against £17.5m at the December year end.

Losses per share emerged at 7.6p (6.9p). The interim dividend is omitted (1.85p).

Management accounts for the nine months to May 1992 showed pre-tax profits at £470,000.

Sidlaw expands via £5.3m purchase

Sidlaw Group, the oil services, flexible packaging and textiles company, has acquired Falcon Packaging, located in Evesham, for a total of £5.25m.

Consideration comprised £525,000 cash with the balance made up of 848,423 ordinary shares and £2.68m in variable rate guaranteed unsecured loan stock 1994-2002.

For the year to August 31 Falcon returned pre-tax profits of £140,000 from turnover of £6.1m. Net assets amounted to £860,000.

Assets dip at English & Caledonian Inv

The net asset value of English & Caledonian Investment was 181.8p per share at June 30 – a decline of 6 per cent over the year.

Net revenue amounted to £245,000, up from £134,000, for earnings of 5.46p (2.99p) per share. As already announced, a final dividend of 2.5p brings the total for the year to 3.75p (3.15p).

Ingham at £135,000 and seeks expansion

Ingham, the worsted spinner, described trading in its first half as "more buoyant than for some considerable time"

Profits before tax for the six months to June 30 amounted to £135,000, against £26,000 last time. Turnover was £2.98m (£2.52m).

Mr David Courtman, chairman, said that new processing equipment had proved beneficial while wool prices at a historical low should encourage forward orders.

Although the retail sector did not appear "over optimistic", exports were contributing more to turnover and further expansion overseas was being sought, he added.

The interim dividend is raised to 1.5p (1p), payable from earnings of 3.3p (0.8p) per share.

Hibernian sharply ahead to I£8.65m

Hibernian Group, the Dublin-based insurance company, announced results ahead of its expectations for the six months to end-June.

Pre-tax profits surged from I£2.84m to I£8.65m (£8.18m). Shareholders' funds increased by 6.3 per cent to I£76.7m against I£72.2m at the December year-end.

Earnings per share came out at 11p (3.5p) and the interim dividend is increased to 2.1p (1.9p).

Margins come under pressure at Printech

Printech International, the Dublin-based computer manual printer, saw profits advance to I£1.71m (£1.62m) in the first half of 1992.

The advance from last time's I£1.69m was achieved on turnover of I£13.5m (I£10.1m).

Mr James Flavin, chairman, blamed the erosion of margins on price pressures within the computer industry.

Earnings per share were unchanged at 5.1p; the interim dividend goes up to 0.9p (0.8p).

TR High Income net assets rise

TR High Income Trust had a net asset value of 101.1p per share at June 30, up from 96.3p 12 months earlier. At the December year-end the figure was 94.7p.

Net revenue for the six months to end-June rose to £683,000 (£447,000), equivalent to earnings of 2.66p (2.4p) per share.

As already announced, a second interim dividend of 1.4p brings the total so far this year to 2p (2.8p).

Avonmore to acquire Master Pork Group

Avonmore Foods, the Irish dairy and meat processing group, yesterday announced it is to acquire Mr Paschal Phelan's entire holding in the Master Pork Group.

The purchase, which is subject to ministerial approval, will result in Avonmore controlling 49 per cent of Master Pork. The remaining 51 per cent is held by those who invested in Master Pork in 1990 under the Business Expansion Scheme.

At completion, Avonmore will also acquire the issued share capital of Robinfield, which is party to put and call option agreements concerning the acquisition on or after May 1995 of the entire issued share capital held by the BES investors.

The aggregate value of the consideration payable, including the sum which Robinfield can be obliged to pay to the BES investors, is I£9.04m (£8.5m).

DIVIDENDS ANNOUNCED

	Current payment	Date of payment	Corres - ponding dividend	Total for year	Total last year
Aerospace Eng ....fin	0.5	Oct 9	1.56	1	3.12
Beauford ....int	nil	-	1.85	-	1.85
Epwin ....int	2.1†	Oct 26	2.1	-	6.6
Hibernian ....int	2.1♣	Sept 21	1.9	-	5.7
Ingham ....int	1.5†	Oct 2	1	-	3
Lionheart ....int	0.2	Nov 4	-	-	0.3
Molynx ....int	1.3†	Oct 6	1.3	-	4
Needler § ....int	2.5★	Oct 15	2.5	-	7
Printech Intl ....int	0.9♣	Sept 28	0.8	-	2

Dividends shown pence per share net except where otherwise stated. †On increased capital. §USM stock. ♣Irish pence. ★Canadian cents.

TECHNOLOGY

A Swedish group has come up with a digital HDTV standard that casts doubt on the EC's plans, writes **Michiyo Nakamoto**

A show called vested interest

Europe is in danger of falling behind the US and Japan in the emerging market for high-definition television. While the prospects for the planned European HDTV programme remain uncertain, the Japanese public broadcasting corporation, NHK, has already started broadcasting weekly programmes in high definition while the US has forged ahead with plans to introduce a digital HDTV standard.

Now a Scandinavian group - which includes the Swedish Broadcasting Corporation, the Swedish Television Company, Swedish Telecom Radio and Telia Research, the R&D subsidiary of Swedish Telecom - has been working on a digital HDTV system that could cast further doubts on the wisdom of pursuing a two-step gradual approach based on an analogue standard, known as Mac (multiplexed analogue components).

The group has developed a prototype system for digital terrestrial HDTV called HD-Divine (digital video narrow-band emission). The system, which was demonstrated at the International Broadcasting Convention in Amsterdam last month, has aroused considerable interest in the US as well as in Europe.

"This could very well mark the turning point in European thinking concerning HDTV transmission," commented George Waters, director of the European Broadcasting Union's technical department.

But Per Appelquist, head of research and development at Swedish Television, does not expect the HD-Divine standard to be adopted by the EC. "It is politically difficult for a Scandinavian system to be adopted in Europe," he says.

Having invested huge amounts of money and time on the Mac standard, European consumer electronics companies, specifically Philips and Thomson, are unlikely to want to adopt a different system.

While Philips and Thomson are both involved in developing digital systems, through EC programmes such as Race (the EC's R&D programme in advanced telecommunications), they have relegated those developments to the back burner and say they do not expect digital television to become a reality until well into the 21st century.

Europe's plan for a step-by-step approach to improving TV picture quality using a partly-analogue system has met with industry resistance. Broadcasters are reluctant to invest the huge sums needed to adopt the European standards and consumer appetite for expensive new electronics products is at a particular low.

Unlike the EC's Mac standard, which would be introduced gradually, the move to digital television proposed by the HD-Divine project would mean one big leap forward to a completely new standard.

HD-Divine also differs from D2-Mac (the standard adopted for wide-screen broadcasts) and HD-Mac (to be used for high-definition broadcasts) since it was designed specifically for terrestrial broadcasts rather than for satellite. This would make it less expensive for broadcasters to transmit programmes and for viewers to receive them.

Like the analogue standard, digital HDTV offers clear, crisp pictures. But it would also provide CD-quality sound and would make more efficient use of channels.

The system developed by HD-Divine, for example, could increase the number of channels to about 40 from the current four on the existing Pal standard for terrestrial broadcasts. This is possible because the digital signals would be constructed in such a way as to minimise the interference between signals.

Although there are 44 UHF channels used for broadcasting on the Pal system, they cannot all be used due to the possibility of signal interference between one channel and another. By sending the signals over hundreds of carriers, digital television can make use of so-called "taboo channels", which would normally need to be kept free to avoid interference.

Digital television could lead to further developments based on the capacity of digital signals to hold vast amounts of information. For example, multimedia applications which allow the viewer to manipulate the material on the television screen is one possibility.

Instead of turning the channel to find a news programme, viewers could do a "news search" in the same way that CD players offer a "track search" to receive information on what news programmes are being broadcast on what channels, says Henry Price, head of engineering information at the BBC.

Since telecommunications and computers are also based on digital technology, a digital television system would also allow easier access to these communications systems.

If digital television offers so many advantages, why have European consumer electronics manufacturers backed a partly-analogue system that is likely to become obsolete?

The main reason is that digital technology is still considered to be many years away. European manufacturers, feeling threatened by Japan's head-start in HDTV, wanted a system that could be introduced in a relatively short amount of time.

One of the main difficulties faced in developing a digital television system is to compress a vast amount of information into digital signals. HD-Divine has achieved this by doing away with 98 per cent of the information, explains Appelquist.

This is possible because much of the data sent down the line are redundant. If there are several picture frames in which the sky is blue, for example, it is not necessary to keep sending the signal for a blue sky for each successive frame. By using techniques which enable the receiving end to "guess" the content of a subsequent picture on the basis of the previous picture, the HD-Divine project has been able to reduce significantly the amount of information that needs to be transmitted down the spectrum.

Another hurdle that needs to be overcome in digital terrestrial broadcasting is multipath propagation - or echoes which result from signals reflecting off various obstacles along their path, such as buildings and bodies of water.

Normally, in analogue systems, signals that are reflected in this way cause "ghosts" which appear as white shadows on the television screen. This happens because the reflected signal arrives later than the other signals and is interpreted as an "echo" to the main signal.

HD-Divine overcomes this problem by inserting what it calls a guard interval between each of the data symbols. This ensures that the time interval between signals is levelled out so that signals are read simultaneously.

After the successful demonstration in Amsterdam, the HD-Divine group has already been approached by a number of parties interested in participating in the project.

It is not looking to the EC for funding, as this would only lead to unnecessary bureaucracy and inevitable delays, it says.

But digital television still faces stiff tests before it can be considered a viable alternative to conventional TV. "It shows enormous promise but a lot of testing needs to be done," says Price. Digital TV is probably possible in a laboratory environment but more tests need to be carried out to see if it works in a commercial environment.

"It will take eight to 10 years before digital TV standards are set. By that time D2-Mac and HD-Mac will have firmly established themselves," says a Philips representative. Philips believes digital television is more suited to mobile applications, such as portable televisions in the car and "watchmen," or plugless TV receivers.

However, the longer the European HDTV programme remains stalled, the greater is the appeal of taking one big leap forward to an advanced television system that not only looks further to the future but also addresses the predominantly terrestrial audience in Europe.

Sir Alec Guinness, in the film Man in the White Suit, defends another invention that never saw the light of day

Technically Speaking

Respect for the golden oldies

By Louise Kehoe

AMONG the rising stars of the high-technology field, the 'grey hairs of experience' seldom command respect. Indeed, several of the most celebrated achievers of the information age are remarkable for their youth.

Steve Jobs co-founded Apple Computer at the tender age of 20. Bill Gates, the software billionaire, is only 36 and Scott McNealy, the president of Sun Microsystems, has turned 37.

Their companies, along with many others in growth segments of the computer industry, are imbued with a culture that reflects the youth of their founders. They are supremely confident and scorn the formality of more mature businesses. While by no means all of their employees are fresh faced, the average age is seldom much higher than that of the chief executive.

In part, the predominant role of young men in high-technology industries can be explained by the fast pace of innovations that give young engineers, just out of university with knowledge of leading-edge technology, an advantage over their older colleagues whose formal education is rapidly outdated.

At its best, the youthful spirit of segments of the high-technology industry gives them energy and drive. At its worst, however, the industry culture harbours subtle age discrimination.

Too often, young executives will say that they have to avoid hiring individuals with more than a few years' experience at an "old line" computer company, claiming that such people are likely to be stuck in their ways.

In effect, this limits the opportunities of those who in mid-career hope to join a company with stronger growth prospects.

By not offering pension plans, companies can also effectively select only those young enough, or rich enough, not to worry about retirement.

Nevertheless, experienced and older executives should play a valuable role in young companies. In the US, for example, many venture capitalists have a long career in high-technology behind them. Having recorded their own achievements and made their own mistakes these veterans are well placed to offer counsel to the next generation of industry entrepreneurs.

They also provide fledgling companies with valuable contacts, opening doors that might otherwise be closed to newcomers.

In the UK, this valuable source of knowledge and experience is less-frequently tapped. However, a new network of independent consultants aims to make the talents of some of the industry's more senior, yet hardly old, citizens available to companies.

CH Business Development, founded by Tim Wickes, a veteran of high-technology marketing, has established a register of consultants for use by information-technology users, suppliers and service companies.

"Two of the main qualifications that we look for in potential team members is sound business experience in executive 'hot-seats', integrity and plenty of 'grey hair'," says Wickes.

It is often easier for a managing director to accept advice from a seasoned consultant than from a team of bright young business graduates, Wickes suggests.

Robin Laidlaw, formerly director of information technology at British Gas, is one of the management consultants on the CH list. "Our approach," he explains, "is to be an extension of the chief executive's office. Most chief executives wish to review how their organisations should reflect such things as technology changes. However, in today's demanding environment where the day-to-day pressures are so great, there is often too little time for adequate strategic thinking."

Whether as a consultant, a venture capitalists or a non-executive director, the older industry executive has much to offer. To ignore this source of expertise would be a detriment to the entire computer industry.

PEOPLE

Ex-Mercury star rising at Morgan

Nicola Horlick, 31, (right) hired a year ago by Morgan Grenfell to beef up its UK specialist pension fund management performance, has been promoted to managing director of Morgan Grenfell Investment Management (MGIM), in charge of the overall UK pension fund business. She replaces 46-year-old Neil Dunford (left), who is moved to the new position of MGIM deputy chairman.

Morgan Grenfell's UK pension side has long trailed behind its highly successful international investment management. "The good people have always wanted to go into international" observes Horlick, who was recruited from Mercury Asset Management, where she had been in charge of the "specialist" team and £6.5bn of funds. Until now looking after the UK "specialist", or performance, side at Morgan (involving some £600m in client funds) she now assumes responsibility for the standard "balanced" funds as well, and accounts worth a total of £5.3bn. "I am here to get the balanced side really going".

Keith Percy, boss of Morgan Grenfell Asset Management (encompassing both international and UK fund management, of some £17bn) and chairman of MGIM, claims "the total UK performance is up a quartile since I joined two years ago, but equity selection in the "balanced" funds has still been disappointing". Looking for a more "cohesive" management structure, he says there had been "three of four senior people below Dunford, and I felt one of them should have the final say on investment matters."

Horlick, a law graduate who came to the City by way of a year selling animal feeds for her father's nascent business, has not looked back since joining MAM - where "she had a fantastic track record " according to Percy. Mercury has recently lost several people, including Leonard Licht, her former boss, who went to the small fund management operation Jupiter Tyndall.

Countering the impression that Dunford - whose background is Schroders and Scottish Widows - has been sidelined, Percy says he only did not give Dunford the MGIM chairmanship because he wanted to avoid the industry concluding he, Percy, was distancing himself from the UK business.

■ Spring Ram Corporation, the bathrooms and kitchens group, has recruited three subsidiary directors from rival companies.

As the production director of Fordham Bathrooms, Alex Gemmell, 52, will supervise the commissioning of a 550,000 sq ft bathroom factory at Bradford. Gemmell was previously a production director with Armitage Shanks, part of Blue Circle Industries.

The factory building is due to start this autumn and to be completed 18 months later. It will absorb the bulk of the £45m capital spending that Spring Ram has scheduled for next year.

Fordham Bathrooms came into Spring Ram last year via an acquisition from Hepworth, the building materials group. Bill Rooney, Spring Ram chairman, said Fordham's main thrust would be to sell into the builders' merchant sector of the bathrooms market.

Robin Trotter, 39, has been recruited from Carron Phoenix, the sink subsidiary of the Swiss company Franke Holdings, to become managing director of Astracast, Spring Ram's asterite sink company. He fills a vacancy created by the recent appointment of Ron Farr to the main board.

Noel Riley, also 39, has been appointed sales and marketing director of Streamline, which sells bathrooms, tiles and other accessories to DIY retail chains. Riley comes from H & R Johnson, part of Norcros.

■ Stephen Connock, general manager (human resources) at Pearl Assurance, has been appointed to the board of EASTERN ELECTRICITY as personnel and public affairs director.

■ Richard Gibson, md of Zanussi since 1986, has been appointed chief executive of ELECTROLUX Household Appliances Marketing Group, a new division set up to cover Electrolux, Zanussi, Tricity Bendix, Parkinson Cowan and Moffat.

■ Tony Mullins, md of BARLO GROUP which recently acquired IRG, has become chairman of IRG. David Burke, formerly chief executive of Fulflex International, has been appointed md of IRG, and Brian Beausang finance director.

■ Paul Harrison, formerly assistant md of Forte airports division, has been appointed md of FORTE AIRPORT SERVICES in succession to Alec Kirby who has retired.

■ Ken Fidler, systems director, is appointed to the board of GRANADA UK RENTAL.

■ Alan Spears, previously operations director of Monotype Corporation, has been appointed manufacturing director of JONES & SHIPMAN.

■ Colin Gibson has been promoted to group director, transmission strategy of The NATIONAL GRID COMPANY in succession to Arthur Fowkes who retires in December.

■ Barry Pickersgill, formerly md of Gilbey Vintners, part of Grand Met, has been appointed md of ASSOCIATED LEISURE, part of The Rank Organisation.

■ Christopher Hopkinson, formerly sales and marketing director, has been appointed general manager of AHREND HUMBER.

■ Martin Parker, md of Warner Fabrics, has been appointed chief executive of LISTER & CO.

■ Martyn Everett, formerly group financial controller, has been appointed finance director of B ELLIOTT on the resignation of James Coleman.

BUSINESS LAW

Hidden menace to land values

By Matthew Mitson and Andrew Waite

That bug-bear of the property industry, registers of potentially contaminated land, has resurfaced in a consultation paper which was issued by the Department of the Environment on July 31.

The registers are to be maintained by local authorities under section 143 of the Environmental Protection Act 1990 and will contain details of land which is contaminated, or has been used for any specified industrial purpose which may cause contamination. Under the new proposals the registers are now likely to include far fewer sites than previously envisaged.

The government's original proposals, which emerged last year, were met with howls of protest from the property sector and were eventually withdrawn. Under those proposals, a property would have appeared on the registers if it were currently or had at any time in the past been put to any one of a long list of uses. That list included not only obvious polluting industries, such as oil refineries and gasworks, but also less obvious candidates, such as dry cleaners and demolition sites.

The result would have been the inclusion of a vast number of sites in the registers, raising fears of widespread blight and a fall in property prices.

The government's initial response to these concerns was to point out that inclusion on the registers would not mean that the property concerned was necessarily contaminated, only that it might be contaminated due to its previous use. That did not allay people's fears, however.

The new proposals issued by the Department of the Environment reveal significant changes from the earlier consultation paper. There are three major changes.

First, "the list of contaminative uses has been reduced to those where there is a very high probability that all land subject to those uses is contaminated unless it has already been appropriately treated."

According to the department's estimate, the registers are now likely to cover only 10 to 15 per cent of the area affected by last year's consultation paper.

The new list of contaminative uses comprises gas, coke, bitumen, lead, steel and asbestos works, oil refineries, most chemical works, landfill sites, waste incinerators, plants for the chemical treatment of waste and scrap metal yards.

Those who have escaped the department's attentions on this occasion should not take undue comfort as "the government has it in mind to extend the list of uses by further regulations in due course in the light of experience".

The second key change from the earlier proposals is that local authorities will be required to take reasonable steps to notify owners or occupiers of their intention to include land on the registers before the entry is made.

That will give those persons affected sufficient time to make any objections in an endeavour to convince the local authorities that particular sites should be excluded.

An unsatisfactory aspect of this proposal is that no statutory appeal machinery is provided. It is considered sufficient that owners affected can take their cases to the local ombudsman or seek judicial review. However, the local ombudsman can only deal with cases of maladministration and will have no powers to direct that property be delisted.

Judicial review is equally inappropriate as it is intended as a means of identifying flaws in the procedural processes adopted in reaching decisions rather than in the merits of decisions themselves. In any event, the courts are already overloaded with such cases. It would seem much more sensible to appoint a special tribunal to deal with these cases, possibly comprising one or more surveyors.

The third major difference is that the registers are to be split into two parts, A and B. Part A will deal with land which has not been investigated or treated. Part B will cover land which has been investigated and/or treated for contamination. The existence and whereabouts of any available reports will also be noted.

In other respects the proposals are similar to those issued last year. The local authorities will not give any guarantee as to whether decontamination work has been successful. Once a site has been entered on the register it will not be possible to remove it.

Two reasons are given. First, factual information on the history of the site will be required when a change of use is proposed in the future. Secondly, contamination may have migrated from the site to adjacent areas. The owners of those sites and regulatory authorities and developers will need to use the registers to identify those sources of contamination.

However, many people are likely to find that aspect of the proposals unsatisfactory. No doubt there will be demands for further thought to be given to overcome this concern so that "cleaned" sites do not remain blighted.

The revised DoE proposals on contaminated land do not make clear who is to pay for any remedial work

The Department of the Environment hopes to have the new regulations in place by the end of 1992, with a view to opening the registers to the public around April 1994.

The registers are also regarded as "part of a wider strategy to tackle the country's legacy of contamination". A programme of research is being carried out aimed at providing further guidance on the assessment and treatment of contaminated land. As a result, priorities for action will be drawn up.

What is not made clear is who is to pay for any remedial work carried out. There already exists a wide range of provisions in different environmental statutes under which polluters, owners or occupiers of the site may be liable for the costs of clean-up, depending on which authority takes action, under which legislation and under what circumstances.

The government should give serious consideration to rationalising the current diverse legal provisions. A clear philosophy should be adopted as to who is to be responsible for decontamination.

Should historic contamination which is not the fault of the present owner (who may not have paid a reduced purchase price) be the responsibility of the private or the public purse? The Department of Environment may be groping towards answers to these questions, but if so, they are keeping their thoughts to themselves for the present.

It is inevitable that the revised proposals will raise the question of blight once again, even if not to the extent caused earlier. This is something that the government will have to take seriously.

Although only a limited number of sites are to be included on the registers in the near future, others will follow in due course. This is likely to have an adverse impact on the property market at a time when it urgently needs a boost.

If the economy continues in recession, there will be little money or inclination to deal with pressing environmental concerns. For that reason, the government must educate the public to understand that the real problem is not the registers but existing land contamination.

What is abundantly clear is that the issue of contaminated land has come to stay, with or without the proposed registers.

In almost all transactions involving the transfer of land, the question is asked: is the land likely to be contaminated? If it is, the purchaser will normally require a reduction in the purchase price, an assurance that the vendor will pay for any necessary clean-up works or an indemnity against any liabilities which may fall on the purchaser.

One of the principal difficulties at present is uncertainty over whether potential liabilities for cleaning-up contaminated land are likely to materialise. The answer can only be known when the government, in conjunction with the authorities concerned, produces a clear policy statement of its proposals for dealing with contaminated land.

Once clear policies and priorities are established, uncertainties will disappear and the fear of blight will recede. For the time being, all purchasers of land should beware.

The authors are solicitors in the environmental unit of Linklaters & Paines.

US and Japanese groups in $1.5bn Chilean mine deal

By Leslie Crawford in Santiago

PHELPS DODGE of the US and Sumitomo Metal Mining of Japan were late yesterday signing a $1.5bn contract to develop one of the biggest mining projects of Chile's recent history: the Candelaria copper and gold deposit in the Atacama desert.

Mr Douglas Yearley, Phelps Dodge's executive president, and his counterpart, Mr Akihiko Shinozaki of Sumitomo Metal Mining, were in Santiago yesterday to sign the foreign investment contract with the government of Chile.

The Candelaria deposit was discovered by Phelps Dodge in 1987, and Sumitomo has taken a 20 per cent stake in the project. It has proven reserves of 400m tonnes, with an average ore grade of 1.1 per cent copper and 0.26 grams per tonne of gold. The reserves are expected to last for 34 years.

Phelps Dodge and Sumitomo plan to invest an initial $500m to strip the mine and build a concentrator plant. Candelaria will enter production in 1995 with an output of 400,000 tonnes of copper concentrates (a semi-refined product containing about 30 per cent copper) and 80,000 ounces of gold a year.

The foreign investment contract of $1.5bn is expected to cover the 34-year life of the mine.

Mr Tom Foster, Phelps Dodge's vice-president, said the company was finalising the financial package for Candelaria. Japanese copper smelters will be putting up some of the money in exchange for supply contracts on Candelaria's future production; Japan's Export-Import Bank is arranging project financing, and Phelps Dodge and Sumitomo will complete the package with their own capital.

Candelaria is the second major copper mine to be developed by foreign investors after Escondida, the giant deposit owned by BHP of Australia, RTZ and a group of Japanese smelters led by Mitsubishi.

Canadian to resume wheat sales to Russia

By Robert Gibbens in Montreal

CANADIAN WHEAT shipment to Russia will resume shortly, the Canadian Wheat Board says, after assurances of payment by the Russians.

The board halted shipments a week ago, saying Russia had exceeded a C$1.5bn (650m) Canadian line of credit by C$100m.

Now the board says a "modest" interim payment has been received and the Russians have provided a plan to deal with payment arrears. Russia is in the first year of a five year contract to buy 25m tonnes of Canadian wheat worth C$3.5bn at current prices.

● Statistics Canada says Canadian farmers planted much more wheat this year but the harvest will be far from a record. Because of cool wet weather output is estimated at 29.9m tonnes for 1992, down 6 per cent from 1991. Oats production will be up sharply and barley down. The estimates are in line with those of the private United Grain Growers as of the end of July.

● The grain harvest of the Commonwealth of Independent States will rise to 175m tonnes in 1992, from 154.7m in 1991, the Interfax news agency said, citing figures from the CIS statistics office, reports Reuter from Moscow.

On Friday, President Boris Yeltsin said Russia's grain harvest was forecast at 103m tonnes in 1992, after 89.1m tonnes in 1991.

"US experts say the harvest will be 98m tonnes, we say it will be 103m," Mr Yeltsin told a news conference. Previous forecasts have put the 1992 Russian harvest at about 98m tonnes although some predictions put it as low as 93m. Drought has cut yields sharply in many parts of Russia.

Ukraine officials recently forecast a total grain harvest of 43m tonnes, 5m more than last year.

Pollution threat to US smelters

By Kenneth Gooding, Mining Correspondent

ONLY TWO US smelters would be able to meet tighter pollution regulations proposed by the US Environmental Protection Agency, according to a study by the Metals & Minerals Research Services consultancy organisation.

It also concludes that "some base metals producers, particularly in North America and Europe, simply will not survive the sort of tightening of environmental laws that is being proposed and the tough legislation that is being enacted".

The study suggests that in Chile smelters face bills totalling about $900m if they are to meet the government's new regulations to limit sulphur dioxide emissions.

It says France's tough Plan National pour l'Environment also proposes huge reductions of sulphur dioxide emissions by the year 2000.

"In Germany, unless former East German base metal plants and mines come into compliance with West German environmental laws by October this year, they will have to close down," says Mr Simon Hobson, an executive director of MMRS and one of the authors of the study.

He says there are eight pieces of European Community legislation concerning the environment and metals production that are either at the discussion or implementation stage. Tightening environmental standards have already forced closures: MMRS points to among other examples the shut-down of Billiton's secondary (scrap) lead smelter (35,000 tonnes a year) at Arnhem in the Netherlands while in Spain Metaleurop's Cartagena primary lead smelter (85,000 tonnes) and Ercosa's secondary copper smelter (30,000 tonnes) have closed.

MMRS suggests that the US mining and metals industry is under the most intense pressure because of the resources available to environmental groups. The top ten environmental organisations there, headed by the Nature Conservancy, have 8m members and a combined annual budget of more than $253m. Another eight US environmental groups have an additional membership of about 6.5m and collect annual dues of over $110m.

The study shows that the US Environmental Protection Agency, under the terms of a new Clean Air Act, is pressing for permitted emissions of sulphur dioxide from smelters to be reduced by more than three quarters to only 0.75 parts per million (ppm) monitored over five-minute intervals.

It says only RTZ Corporation's proposed new copper smelter at its Kennecott subsidiary's Bingham Canyon mine and Cyprus Minerals new furnace at Miami, Arizona,(correct) based on the Australian Isasmelt process, could meet such stringent standards.

"It is an example of a proposed law which does not take account of standards base metals producers can reasonably meet but is designed to combat what the EPA and pressure groups believe may be public health risks," says Mr Hobson.

The American Mining Congress, which represents the US mining industry, is fighting this legislation. In the US there are 14 pieces of environmental law, regulations and guidelines which are to be changed very shortly, some very radically, says MMRS.

"An Environmental Audit of the Base Metal Industries," £10,500 from MMRS, 2 Henry Street, Bath, Avon BA1 1JT.

Salmon market back in the pink

Norway's clearance sale has restored balance, writes **Karen Fossli**

DEMAND FOR farmed salmon is set to outstrip supply, according to Mr Ingo Skulason, managing director of Aquastar Norway, a wholly-owned subsidiary of BP Nutrition.

Aquastar last year was enlisted by a consortium of Norwegian banks to dispose of a 37,500-tonne mountain of frozen salmon, representing a fifth of Norway's annual production, following last November's bankruptcy of the Norwegian fish farmers' sales organisation. Norway's salmon farmers produce about half of total Atlantic salmon supplies. The salmon mountain was amassed as a result overproduction and led to a world glut and a plunge in prices. Mr Skulason said recently that all but 2,000 tonnes had been sold outside the European Community at a prices between NKr20 and NKr40 (£1.80 and £3.60) a kilogram, yielding gross sales of an estimated £100m.

"With the exception of December, when sales were made at about NKr20 a kilogram, the project has been a success," he said. "The situation demanded disposal of the stock in a controlled way outside EC markets. It was crucial to avoid dumping charges, stabilise the market and reduce the turbulence surrounding the matter," Aquastar explained. The idea was that Aquastar could make use of BP Nutrition's international trading network to market the salmon in a way that avoided violation of Norway's trade policy.

To handle the project, Aquastar established a separate unit as a limited liability company in Stavanger, of which Mr Skulason, head of Aquastar Europe, was appointed managing director.

It was also in Aquastar's interest to undertake the task in such a way as to provide a basis for profitability, stability and growth of the European fish farming industry. More than 30 countries in eastern Europe and the Far East purchased the salmon, which was sold at prices far above earlier expectations.

"We believe we have succeeded in this big challenge because we had to sell the frozen salmon during low season when prices are normally weaker and we were prohibited from selling in the EC," Mr Skulason said. He explained that because of the success of the operation, the Norwegian government would be able to recoup a NKr400m non-interest bearing loan provided through the consortium of banks to establish the marketing enterprise. Bank losses would also be minimised.

European Salmon Market (tonnes)

	1989	1990*	1991*	1992*	1993
Supply					
Norway	124,000	165,000	155,000	126,000	109,000
UK	29,000	33,000	41,000	40,000	38,000
Ireland	6,000	7,500	8,300	9,000	9,000
Others	9,000	14,000	20,000	16,000	11,000
Total	168,000	219,000	243,000	191,000	167,000
Estimated Demand	146,000	171,000	198,000	206,000	218,000

*Including frozen stock. Source: Aquastar

According to Mr Skulason, however, demand for farmed salmon will outstrip supply by the end of this year despite a rise in prices, which have averaged between NKr48 and NKr50 a kilogram in recent weeks, compared with NKr30 to NKr35 in April and May. He forecast a worldwide deficit of some 30,000 tonnes in 1992, growing to to about 51,000 tonnes in 1993. Mr Skulason bases his projections on a number of factors including "market psychology".

"The market knows that nearly all of the frozen salmon mountain has been sold, so there is no reason for further speculation about the mountain and its possible affect on market prices, and there are long production lead times preventing farmers from rapidly increasing supply," he explained.

He added that because of the operation's success, stability had been created in the market, fuelling optimism about its future development.

In recent years, demand for farmed salmon has increased by 20 to 30 per cent annually, but production exceeded demand. However, with emergence of new markets like southern Europe and with the current high level of prices, Mr Skulason sees at least a two-year window for the salmon-farming industry to yield good profits.

By comparison, European demand in 1989 was 146,000 tonnes compared with production of 168,000. There was overproduction of about 48,000 tonnes in 1990 and 45,000 tonnes in 1991.

In Europe, Aquastar has offices in Belgium, Britain, Spain and Norway but sees opportunities for European expansion during the next few years. It said it was rapidly developing internationally into a well-known trade name and believed that it was set to become a major supplier to branded producers, multiple retailers and in the seafood industry for repackaging for various points of sale.

Indian tea faces crisis after Russian withdrawal

By Kunal Bose in Calcutta

THE INDIAN tea industry is facing a crisis following the disappearance of Russian buyers from the country's tea auction centres. The withdrawal has been caused by the Russians exhausting the technical credit of $32m extended by the Indian federal government earlier this year.

"Without the Russians the bottom will soon be falling out of the Indian tea market," said Mr H.P. Barooah, chairman of Indian Tea Association. Under the trade protocol, Russia is supposed to buy 65m kg of Indian tea in the current year but so far it has bought only 16m kg.

Russia will need another at least $100m worth of technical credits to procure the remaining amount and the beleaguered Indian industry has made a representation to the federal government for an immediate release of $20m so that its buyers can return to the auctions.

Mr Hiteswar Saikia, chief minister of the largest tea growing state of Assam, is reported to have urged Mr Manmohan Singh, India's finance minister, to come to the rescue of the tea industry by giving Russia further technical credits, but New Delhi is unrelenting. It has made it clear that further release of technical credit will have to await Russia giving oil and petroleum lubricants to India as part of the barter arrangement.

Mr Barooah said the setback to tea exports had already forced gardens in south India, Cachar, Terai and Dooars to sell tea at below the cost of production. The same would soon be happening to the Assam gardens, he added. In view of the severe resource constraint, the Russians, who in the past used to buy medium and superior grades of teas, have this year been purchasing lower value teas, said Mr Vijay Dudeja, spokesman for the brokers.

The tea association set an export target of 188m kg for the current year on the assumption that Russia would lift the agreed quantity of 65m kg and the other constituents of CIS would import about 10m kg.

While there is great uncertainty about export to Russia, India hopes to be able to step up tea sales elsewhere, in Iran, Poland and Egypt, for example. But these markets, according to Mr Barooah, are no substitute for Russia in the short term. Last year, India exported 104.5m kg of tea to the Soviet Union, more than 80 per cent of that going to Russia.

According to Mr Barooah, even though India will be harvesting a lower crop of about 715m kg in 1992, compared with 742m kg last year, the industry will not find it easy to dispose of the crop because of the poor Russian buying.

In the long run, however, there remains immense scope for stepping up domestic consumption of tea. Annual consumption of tea in India is about 600 grammes a head, compared with about 3 kg in the UK.

Sri Lankan tea production fell by 41.4m kg in the first half of this year, nearly 50 per cent of the world crop reduction, writes Mervyn de Silva in Colombo. World production in the January-June period fell by 86m kg, says Forbes and Walker, a leading local broker.

Production in India and Kenya, Sri Lanka's main competitors also dropped, by 23.4m kg and 12.5m kg respectively, but Sri Lanka's fall of just over 20 per cent is the highest of all major producers.

Only Bangladesh and Tanzania registered increases in the period.

"The prolonged drought hit our tea industry hard," said a plantation ministry official. While production has dropped, prices have improved, however.

"The slump and more especially, the Russian demand have influenced prices," said a leading Colombo broker, who pointed out that "each time the Russians were present at auctions in the past three months, our tea fetched better prices".

Milk trade fails to agree pricing scheme

By David Blackwell

THE UK MILK Marketing Board and the Dairy Trade Federation have failed to agree on a new way of pricing milk for manufacturing.

The scheme, which was endorsed by both the Agriculture Ministry and the EC, aimed to end the much criticised system under which the MMB sets 24 different price levels according how the milk is used. The new system – due to be introduced next Tuesday – had already been delayed earlier this year.

"New Ways of Buying Milk", as the scheme was known, would have priced milk for manufacturing according to its supply profile, with a premium being charged for regular deliveries. However, defying the laws of economics, the higher prices were set under the scheme the greater the demand for milk would have been.

The MMB said that at one price level annual demand would have exceeded supply by over 1bn litres, or 22 per cent. This was partly because the UK is not self-sufficient in milk and production is restricted by EC milk quotas. But the DTF said its members would demand more milk at higher prices in order to reduce their unit costs when making dairy products.

The National Farmer's Union said yesterday it was very disappointed that the MMB scheme was not going forward. "New Ways" would have led to better prices for dairy farmers, but with a return to the end-use system the prospects of better returns had diminished.

The MMB, which is planning to turn itself into a voluntary co-operative by mid-1994, said it would now be returning to end-use pricing.

WORLD COMMODITIES PRICES

MARKET REPORT

The dollar's plunge to successive lows against the D-mark pushed **GOLD** higher on the London bullion market, but the gains were limited by reported producer selling on Comex and the sharp losses over the past two weeks. Some short covering emerged after a large early buying order in Europe, but dealers said gold's attraction as a safe haven from the collapsing dollar was dented by the recent sell-off by US funds, and capital was mainly moving to the Swiss franc. The turmoil in the currency markets kept **BASE METAL** trading on the LME quiet as traders tried to keep their exposure to a minimum. "Investors won't commit themselves while there is the danger a sudden currency move will wipe out a profit or trigger a stop loss order within seconds," one trader said. Overall dollar metal prices moved higher and sterling quotations eased. New York **COTTON** futures remained sharply up at midday amid concerns of unfavourable weather for the Delta from Hurricane Andrew which is heading toward the Gulf of Mexico. Fears that the hurricane might damage Louisiana and Florida **SUGAR** prices kept the New York futures market firm.

Compiled from Reuters

London Markets

SPOT MARKETS

Crude oil (per barrel FOB)(Oct)		+ or -
Dubai	$17.85-95d	+0.15
Brent Blend (dated)	$19.65-70d	+0.10
Brent Blend (Oct)	$19.85-90	+0.10
W.T.I (1 pm est)	$21.30-35d	+0.20
Oil products (NWE prompt delivery per tonne CIF)		+ or -
Premium Gasoline	$215-217	
Gas Oil	$173-175	+2.5
Heavy Fuel Oil	$84-86	
Naphtha	$189-190	-1
Petroleum Argus Estimates		
Other		+ or -
Gold (per troy oz)♣	$342.20	+4.75
Silver (per troy oz)♣	373.5c	-2.5
Platinum (per troy oz)	$351.25	-1
Palladium (per troy oz)	$85.0	+0.5
Copper (US Producer)	116.0c	-1
Lead (US Producer)	39.4c	-0.6
Tin (Kuala Lumpur market)	16.76r	
Tin (New York)	315.5c	+1
Zinc (US Prime Western)	62.0c	
Cattle (live weight)†	110.65p	+0.50*
Sheep (live weight)†♠	73.43p	-0.18*
Pigs (live weight)†	80.83p	-0.22*
London daily sugar (raw)	$246.0w	-3
London daily sugar (white)	$275.3w	-4.2
Tate and Lyle export price	£232.5	-7.5
Barley (English feed)	$118.50z	+0.25
Maize (US No. 3 yellow)	£148.0	
Wheat (US Dark Northern)	Unq	
Rubber (Sep)♥	49.75p	-0.75
Rubber (Oct)♥	49.75p	-0.75
Rubber (KL RSS No 1 Jul)	218.5r	-1
Coconut oil (Philippines)§	$510.0t	+5
Palm Oil (Malaysian)§	$400.0y	+12.5
Copra (Philippines)§	$322.50	
Soyabeans (US)	£132.50	-0.5
Cotton "A" Index	58.15c	-0.15
Wooltops (64s Super)	367p	-5

£ a tonne unless otherwise stated. p-pence/kg c-cents/lb. r-ringgit/kg. t-Oct/Nov w-Aug/Sep y-Sep d-Oct. z-Oct/Dec. †Meat Commission average fatstock prices. * change from a week ago ♥London physical. §CIF Rotterdam ♣ Bullion market close m-Malaysian cents/kg ♠Sheep prices are now live weight prices

SUGAR – London FOX ($ per tonne)

Raw	Close	Previous	High/Low	
Oct	202.00	201.00	197.00	
Dec	200.00	194.00	193.40	193.00
Mar	195.20	197.40	193.60	
White	**Close**	**Previous**	**High/Low**	
Oct	257.40	254.00	257.00	254.00
Dec	253.60	251.50	253.60	251.50
Mar	258.50	254.00	256.50	254.50
May	260.50	258.00	259.90	258.50
Aug	265.50	263.00	264.90	263.40
Oct	256.40	253.60	255.70	254.20

Turnover: Raw 137 (183) lots of 50 tonnes. White 1884 (1876) Paris- White (FFr per tonne): Oct 1230.89 Dec 1228.06

CRUDE OIL – IPE $/barrel

	Close	Previous	High/Low	
Oct	20.04	19.68	20.05	19.60
Nov	20.08	19.73	20.10	19.65
Dec	20.10	19.77	20.10	19.69
Jan	20.03	19.65	19.85	
Feb	19.99		19.77	
IPE Index	19.81	19.79	19.81	

Turnover 25907 (21322)

GAS OIL – IPE $/tonne

	Close	Previous	High/Low	
Sep	177.75	177.00	178.50	174.50
Oct	182.50	182.00	183.25	180.00
Nov	186.25	185.75	186.75	183.50
Dec	188.25	188.00	189.00	186.75
Jan	189.00	188.25	189.75	187.25
Feb	186.00	185.00	186.60	184.25
Mar	182.50	182.00	183.00	181.50
Apr	180.00	179.25	180.75	179.00
May	179.00	178.50	179.25	178.00

Turnover 12423 (15393) lots of 100 tonnes

TEA

There was good general demand reports the Tea Brokers' Association. Landed new seasons Assams met a ready response and sold at prices in line with expectations. Brightest East African teas and medium descriptions proved irregular and often tended easier with quality. Brighter Central Africans remained fully firm but the remainder showed a decline. Offshore good competition with selected brighter teas dearer. The highest price realised this week was 202p for a Rwanda pf.1. Quotations quality 175p/kg, good medium 134p/kg, medium 125p/kg, low medium 78p/kg.

COCOA – London FOX £/tonne

	Close	Previous	High/Low	
Sep	604	611	609	601
Dec	633	641	641	627
Mar	663	668	669	657
May	681	687	689	677
Jul	699	706	708	697
Sep	717	724	727	715
Dec	743	749	742	739
Mar	772		773	771
May	792		790	

Turnover: 4265 (4342) lots of 10 tonnes
ICCO indicator prices (SDRs per tonne). Daily price for Aug 21 817.32 (812.99) 10 day average for Aug 24 801.34 (801.73)

COFFEE – London FOX $/tonne

	Close	Previous	High/Low	
Sep	734	733	735	730
Nov	754	752	754	750
Jan	764	762	763	760
Mar	778	777	774	773
May	785	790	787	
Jul	802	800	799	

Turnover:1779 (2800) lots of 5 tonnes
ICO indicator prices (US cents per pound) for Aug 21: Comp. daily 45.31 (45.30) 15 day average 45.87 (46.00)

POTATOES – London FOX £/tonne

	Close	Previous	High/Low	
Apr	61.2	60.0	61.1	59.5

Turnover 32 (58) lots of 20 tonnes.

SOYAMEAL – London FOX £/tonne

	Close	Previous	High/Low
Dec	119.70	119.70	
Feb	121.70	121.70	

Turnover 0 (90) lots of 20 tonnes.

FREIGHT – London FOX $10/index point

	Close	Previous	High/Low	
Aug	1075		1075	
Sep	1110	1115	1110	1108
Oct	1190	1194	1190	
Jan	1220		1220	
Jan	1310		1310	
BFI	1078	1081	1078	

Turnover 38 (27)

GRAINS – London FOX £/tonne

Wheat	Close	Previous	High/Low	
Sep	113.25	113.55	113.70	113.25
Nov	115.50	115.80	115.85	115.50
Mar	122.45	122.70	122.45	
May	125.50	125.70	125.50	125.45
Barley	**Close**	**Previous**	**High/Low**	
Sep	109.70	109.65	109.70	
May	119.85	121.70	119.85	

Turnover: Wheat 99 (225), Barley 12 (47). Turnover lots of 100 Tonnes.

PIGS – London FOX (Cash Settlement) p/kg

	Close	Previous	High/Low
Oct	108.0	107.5	107.5
Nov	108.0	107.0	107.5

Turnover:7 (58) lots of 3,250 kg

LONDON METAL EXCHANGE (Prices supplied by Amalgamated Metal Trading)

	Close	Previous	High/Low	AM Official	Kerb close	Open interest
Aluminium, 99.7% purity ($ per tonne)						Total daily turnover 21,225 lots
Cash	1299.5-300.5	1294.5-5.5		1304-5		
3 months	1324-5	1318-19	1330/1324	1328.5-9	1323.5-4	176,648 lots
Copper, Grade A (£ per tonne)						Total daily turnover 35,928 lots
Cash	1271-2	1318-19	1287/1288	1286.5-7		
3 months	1296-7	1342-42.5	1313/1295	1310-10.5	1296-6.5	148,977 lots
Lead (£ per tonne)						Total daily turnover 3,139 lots
Cash	325-6	331.5-32.5	326/325.75	325.75-6		
3 months	335.5-6	342-2.5	337/335	335.75-6.25	335-6	29,001 lots
Nickel ($ per tonne)						Total daily turnover 6,626 lots
Cash	7265-75	7250-55		7260-70		
3 months	7340-50	7325-330	7360/7335	7330-40	7335-40	25,803 lots
Tin ($ per tonne)						Total daily turnover 1,846 lots
Cash	6810-20	6785-90	6810	6805-10		
3 months	840-5	6815-20	6855/6830	6830-5	6830-5	11,484 lots
Zinc, Special High Grade ($ per tonne)						Total daily turnover 9,139 lots
Cash	1370-1	1383-85	1388	1368-9		
3 months	1338-9	1334.5-35	1340/1333	1336.5-7.5	1337-8	65,323 lots

LME Closing £/$ rate: SPOT: 1.9945 3 months: 1.9614 6 months: 1.9313 9 months: 1.9011

LONDON BULLION MARKET
(Prices supplied by N M Rothschild)

Gold (troy oz)	$ price	£ equivalent
Close	342.00-342.40	
Opening	339.10-339.50	
Morning fix	341.85	173.572
Afternoon fix	342.30	171.924
Day's high	342.70-343.10	
Day's low	339.10-339.50	

Loco Ldn Mean Gold Lending Rates (Vs US$)

1 month	2.66	6 months	2.65
2 months	2.65	12 months	2.74
3 months	2.64		

Silver fix	p/troy oz	US cts equiv
Spot	190.80	376.15
3 months	195.85	349.25
6 months	200.80	392.30
12 months	211.35	390.05

GOLD COINS

	$ price	£ equivalent
Krugerrand	340.00-342.00	173.00-175.00
Maple leaf	352.15-354.45	-
New Sovereign	82.00-84.00	41.00-42.00

TRADED OPTIONS

Aluminium (99.7%)	Calls		Puts	
Strike price $ tonne	Sep	Dec	Sep	Dec
1250	70	98	3	10
1300	32	61	15	23
1350	10	34	43	46
Copper (Grade A)	**Calls**		**Puts**	
2500	75	92	24	58
2550	46	67	44	83
2600	26	47	73	112
Coffee	**Dec**	**May**	**Dec**	**May**
600	179	188	3	4
650	134	146	8	11
700	95	107	19	23
Cocoa	**Dec**	**Mar**	**Dec**	**Mar**
525	110	143	2	6
550	88	121	5	9
575	68	102	10	15
Brent Crude	**Oct**	**Nov**	**Oct**	**Nov**
2000	28	53	43	56
2050	15	34		91
2100	8	24		

New York

GOLD 100 troy oz.; $/troy oz.

	Close	Previous	High/Low	
Aug	341.6	337.3	343.0	342.0
Sep	341.8	337.4	0	0
Oct	342.7	338.5	343.5	342.2
Dec	344.3	340.0	345.3	343.6
Feb	346.1	341.7	347.0	345.6
Apr	347.8	343.3	348.1	347.5
Jun	349.6	345.0	350.0	350.0
Aug	351.5	346.8	352.5	352.5
Oct	353.4	348.7	0	0

PLATINUM 50 troy oz; $/troy oz.

	Close	Previous	High/Low	
Oct	349.6	349.0	352.0	349.0
Jan	347.8	347.0	349.5	346.5
Apr	346.8	348.0	351.0	348.0
Jul	349.8	349.0	0	0

SILVER 5,000 troy oz; cents/troy oz.

	Close	Previous	High/Low	
Aug	371.2	372.3	0	0
Sep	371.7	372.7	375.0	369.0
Oct	373.7	374.6	0	0
Dec	375.5	376.3	378.0	373.0
Jan	376.8	377.6	0	0
Mar	379.3	380.0	382.0	378.0
May	382.0	382.6	383.5	381.0
Jul	384.5	385.0	386.5	383.5
Sep	387.4	387.9	387.0	387.0
Dec	391.8	392.3	391.5	391.0

HIGH GRADE COPPER 25,000 lbs; cents/lbs

	Close	Previous	High/Low	
Aug	113.50	112.80	113.50	112.60
Sep	113.70	113.30	113.85	112.80
Oct	114.05	113.60	113.45	113.25
Nov	114.40	113.85	0	0
Dec	114.80	114.15	114.90	113.60
Jan	114.35	113.55	114.75	113.60
Feb	114.15	113.35	0	0
Mar	113.75	112.85	0	0
Apr	112.85	111.95	0	0
May	112.45	111.55	0	0

INDICES

REUTERS (Base: September 18 1931 = 100)

Aug.24	Aug.21	mnth ago	yr ago
1518.5	1528.3	1567.7	1651.3

DOW JONES (Base: Dec. 31 1974 = 100)

	Aug.21	Aug.20	mnth ago	yr ago
Spot	116.13	115.83	118.25	117.92
Futures	115.40	115.54	118.70	121.43

CRUDE OIL (Light) 42,000 US galls $/barrel

	Close	Previous	High/Low	
Oct	21.54	21.08	21.55	21.20
Nov	21.44	21.03	21.45	21.15
Dec	21.34	20.96	21.36	21.07
Jan	21.25	20.88	21.26	21.00
Feb	21.16	20.80	21.14	20.90
Mar	21.07	20.72	21.04	20.86
Apr	20.97	20.63	20.92	20.79
May	20.86	20.53	20.80	20.66
Jun	20.76	20.44	20.70	20.59
Jul	20.67	20.36	20.56	20.52

HEATING OIL 42,000 US galls, cents/US galls

	Close	Previous	High/Low	
Sep	59.31	57.81	59.50	58.45
Oct	60.24	58.81	60.50	59.40
Nov	61.34	59.96	61.40	60.40
Dec	62.38	61.17	62.60	61.65
Jan	62.88	61.75	63.00	62.05
Feb	62.08	61.00	61.95	61.45
Mar	60.18	59.15	60.40	59.80
Apr	58.43	57.45	58.10	58.10
May	57.23	56.25	56.70	56.70
Jun	56.43	55.45	0	0

COCOA 10 tonnes;$/tonnes

	Close	Previous	High/Low	
Sep	1074	1049	1080	1050
Dec	1107	1091	1110	1088
Mar	1154	1139	1156	1135
May	1189	1174	1177	1177
Jul	1220	1205	0	0
Sep	1235	1235	1240	1235
Dec	1270	1270	0	0
Mar	1306	1306	1315	1315
May	1334	1334	0	0

COFFEE "C" 37,500lbs; cents/lbs

	Close	Previous	High/Low	
Sep	52.35	51.20	52.40	50.75
Dec	53.80	53.15	54.10	52.50
Mar	56.15	56.40	56.30	54.90
May	60.30	59.55	60.40	59.10
Jul	62.20	61.80	62.20	61.00
Sep	64.25	63.85	64.75	63.50
Dec	67.00	67.25	67.00	67.00

SUGAR WORLD "11" 112,000 lbs; cents/lbs

	Close	Previous	High/Low	
Oct	8.99	8.61	9.05	8.79
Mar	8.80	8.68	8.86	8.67
May	8.79	8.69	8.84	8.70
Jul	8.81	8.70	8.81	8.70
Oct	8.71	8.61	8.72	8.63

COTTON 50,000; cents/lbs

	Close	Previous	High/Low	
Oct	60.18	59.18	60.18	59.50
Dec	58.25	56.25	58.25	57.32
Mar	59.30	57.30	59.30	58.40
May	59.86	57.86	59.86	59.01
Jul	60.46	58.46	60.40	60.10
Oct	60.70	59.65	0	0
Dec	60.90	59.25	60.90	60.10

ORANGE JUICE 15,000 lbs; cents/lbs

	Close	Previous	High/Low	
Sep	112.60	113.00	113.20	111.25
Nov	109.80	109.55	110.00	108.80
Jan	109.50	109.30	110.00	108.80
Mar	109.40	109.05	110.40	108.75
May	109.60	109.25	110.25	109.75
Jul	109.10	108.75	109.25	109.25
Sep	109.10	108.75	109.25	109.25
Nov	109.10	108.75	0	0

Chicago

SOYABEANS 5,000 bu min; cents/60lb bushel

	Close	Previous	High/Low	
Sep	558/6	551/2	560/4	562/0
Nov	553/2	546/4	555/0	546/2
Jan	560/6	553/0	562/0	552/4
Mar	568/6	561/4	569/4	560/4
May	576/0	568/2	577/4	567/2
Jul	582/0	574/4	584/0	573/4
Aug	580/0	573/0	0	0
Sep	575/0	570/0	575/0	572/0

SOYABEAN OIL 60,000 lbs; cents/lb

	Close	Previous	High/Low	
Sep	18.56	18.44	18.64	18.46
Oct	18.69	18.58	18.75	18.60
Dec	18.99	18.90	19.06	18.89
Jan	19.14	19.04	19.20	19.05
Mar	19.44	19.34	19.50	19.34
May	19.72	19.67	19.77	19.62
Jul	19.96	19.85	20.05	19.90
Aug	20.07	19.98	20.20	20.05

SOYABEAN MEAL 100 tons; $/ton

	Close	Previous	High/Low	
Sep	175.9	174.3	176.0	174.2
Oct	192.3	189.7	192.4	190.0
Dec	192.3	188.9	192.4	189.3
Jan	191.4	188.0	191.5	188.7
Mar	190.4	187.2	190.5	187.8
May	190.0	187.3	190.0	187.5
Jul	190.0	188.6	190.5	187.5
Aug	189.7	189.5	190.5	189.5

MAIZE 5,000 bu min; cents/56lb bushel

	Close	Previous	High/Low	
Sep	224/6	222/6	225/0	221/6
Dec	224/6	222/6	226/0	221/6
Mar	233/2	231/2	233/4	230/2
May	238/2	237/2	239/2	236/4
Jul	243/6	241/4	244/0	241/0
Sep	242/0	241/4	242/2	241/4
Dec	244/4	244/0	244/4	244/0

WHEAT 5,000 bu min; cents/60lb-bushel

	Close	Previous	High/Low	
Sep	321/0	315/4	321/4	313/0
Dec	334/2	327/6	334/4	325/2
Mar	341/2	335/4	341/4	333/2
May	338/6	333/4	339/0	331/4
Jul	324/0	320/2	324/0	317/0
Sep	327/0	324/0	327/0	323/0
Dec	339/0	334/6	339/0	334/0

LIVE CATTLE 40,000 lbs; cents/lbs

	Close	Previous	High/Low	
Aug	74.775	74.550	75.000	74.300
Oct	74.750	74.200	74.775	74.050
Dec	72.950	72.700	73.025	72.575
Feb	72.150	72.025	72.225	71.800
Apr	73.250	73.100	73.250	72.800
Jun	70.200	70.100	70.250	69.950
Aug	68.675	68.575	69.000	68.550

LIVE HOGS 40,000 lb; cents/lbs

	Close	Previous	High/Low	
Aug	46.250	45.950	46.500	45.825
Oct	40.325	40.175	40.500	39.650
Dec	40.850	40.875	40.950	40.500
Feb	40.625	40.725	40.700	40.300
Apr	39.200	39.300	39.250	38.900
Jun	44.675	44.700	44.750	44.600
Aug	43.500	43.575	43.500	43.400

PORK BELLIES 40,000 lbs; cents/lb.

	Close	Previous	High/Low	
Aug	36.175	36.175	36.500	36.175
Feb	40.300	39.950	40.500	39.000
Mar	40.125	39.725	40.250	39.100
May	41.375	40.950	41.500	40.250
Jul	40.100	40.100	0	0
Aug	40.050	40.700	40.050	39.250

Base rate fears prompt heavy setback

By Terry Byland, UK Stock Market Editor

UK EQUITIES yesterday suffered their biggest daily fall since the failed Soviet coup a year ago, as renewed setbacks in the US dollar and sterling fuelled both global economic worries and fears that UK base rates might have to be raised to protect the pound.

The FT-SE Index dropped 54.6 points, or 2.3 per cent, as shares in international dollar-earners and domestic interest-related UK companies fell heavily. However, trading volume remained moderate and most of the damage to share prices reflected marking down operations at the opening of the market.

The Footsie was 45 points down at the first calculation of the day and extended the loss to 59.7 after Wall Street opened sharply lower, to record a day's low of 2,306.0. The stock market, however, steadied as the pound rallied after moving dangerously close to its ERM floor and Wall Street also edged off its early low to show a decline of 13 Dow points in UK hours.

The final reading put the FT-SE Index at 2,311.1, with the day's loss of 54.6 just exceeding daily falls recorded earlier this year, notably the 51.5 points loss chalked up in mid-July when one UK building society raised mortgage rates. Seaq volume of 383.7m shares yesterday compared with 436.9m on Friday. On August 19 last year, the Footsie fell by 80.5 (or 3.1 per cent) as London reacted to the attempted coup in the former Soviet Union.

Account Dealing Dates		
First Dealings:		
Aug 10	Aug 24	Sep 7
Option Declarations:		
Aug 20	Sep 3	Sep 17
Last Dealings:		
Aug 21	Sep 4	Sep 18
Account Day:		
Sep 1	Sep 14	Sep 28

*New time dealings may take place from 8.30 am two business days earlier.

The continued recovery in the Tokyo market was ignored in London. A widening in the UK trade deficit to £934m in July, hardly encouraging for sterling, was almost lost in the general rush of bearish factors on the first day of the new equity trading account.

With the City of London braced for further pressure on the dollar and, via the foreign exchange cross-rates, the pound, share prices were marked down by marketmakers who did not wait for sellers to arrive. Both marketmakers and retail investors were inclined to act in stock index futures rather than in underlying equities which were often difficult markets.

London shared in the general setback across European bourses as dollar weakness took effect. But the downturn in the UK market took in substantial losses in shares which would suffer immediately if UK base rates have to be raised to protect sterling's position in the ERM network.

Thus, pharmaceuticals, chemicals, stores and building shares all came in for severe losses. Both these groups of shares have traded somewhat erratically in recent weeks as currency and interest rate factors have ebbed and flowed, and share prices have become highly volatile.

Equity strategists could find little reason for confidence until the outlook for sterling and for UK interest rates becomes more clear. An attempt at a modest rally at mid-session was wiped out when a UK trading house implemented a large sell programme across the range of the market. London-based securities houses have suffered heavy losses since sterling began its latest slide last week. Trading books are now severely squeezed.

Dollar earners suffer

DRUGS group Glaxo was one of many big dollar earning stocks to lead the London market down yesterday. The shares dropped 29 to 701p on turnover of 2.8m, and marketmakers said that around 20p of the fall represented the tumble in the dollar over the weekend.

When dealing in Glaxo American Depositary Receipts (ADRs) – the US equivalent of shares – ended on Friday night they stood at $27¾. One ADR represents two shares and so the equivalent UK price was around 720p. As trading in London began yesterday morning the slide in the dollar meant that the equivalent UK share price had fallen to around 700p.

The effect is compounded by Glaxo's earnings profile. The group derives 40 per cent of turnover and around half of its profits from North America. On September 10, it is expected to announce full-year results to end-June of around £1.4bn.

Other dollar earners with ADR listings which were affected yesterday included Reuters, down 27 at 1017p, ICI, 23 cheaper at 1089p, and Hanson (deriving around half its earnings from the US), off 5 at 185½p ex-dividend, an 18-month low.

Redland worries

A market preoccupied with worries about the security of dividends, after recent cuts in payments by companies such as BP and Sedgwick, settled on Redland as another stock in danger of reducing its dividend for 1993.

The chances of a 20 per cent cut in Redland's payment were highlighted by Panmure Gordon, the stockbroker, and saw Redland shares fall to 374p before a late rally left them a net 22 off at 381p. Turnover was a healthy 1.1m shares.

Mr Robin Hardy, building materials analyst at Panmure, cited "thin earnings cover and the poor outlook in the UK" for the pessimistic stance on Redland's dividend prospects. He also noted that the shares had performed very strongly relative to the rest of the sector since its takeover of Steetley, the brick manufacturer, earlier this year.

Other building analysts, however, adopted an opposite view to Panmure. In a 20-page research document Goldman Sachs described Redland as "attractively priced", adding that should a recovery in the UK be further delayed the broad geological spread of its activities and strong financial position restrict the downside.

Forte hints

Hints that Forte's negotiations to sell its Gardner Merchant subsidiary may be entering a crucial stage gathered force, with some sources close to the company indicating that an announcement was likely "sooner rather than later".

Negotiations to sell Gardner and the airport catering businesses broke down two months ago when Forte decided the £425m offer from Compass Group was too low. The collapse of the talks hit Forte shares badly and sentiment was further undermined by stock market criticism of the board's handling of the situation. The shares improved 3 to 130p yesterday.

The threat of huge insurance claims arising from Hurricane Andrew, which was hitting the coast of Florida as London markets closed, and worries about a possible increase in UK interest rates left the composite insurers in disarray.

Analysts estimated that damage to Florida alone could reach as much as $6bn, and that if the hurricane extended to Texas and Louisiana then the damages bill would almost certainly top $10bn and could possibly reach $20bn.

Royal weakened 18 to 145p and General Accident 8 to 417p, but Guardian Royal later rebounded to close only a shade off at 129p.

Dealers were surprised at the resilience of most of the leading oil shares which, in spite of the dependence on dollar earnings, outperformed the wider market. Shell Transport was an exception, sliding 15 to 452p, with specialists saying the stock had held up well as other oils plummeted earlier this year. BP, still feeling the effects of another negative blast from UK broking houses, lost 7 more to 183p.

Specialist metals refiner Johnson Matthey was one of the very few bright spots in the UK yesterday, responding to a bounce in the Japanese stock market. Japan is a big investor in platinum and Matthey is the world's largest platinum marketing group. The shares firmed 2 to 385p.

Dollar-earning SmithKline Beecham held up well in light of the plunging US currency. Analysts said the company had hedged itself effectively against currency fluctuations. The "A" shares dipped 7 to 454p and the units, which tend to represent US interest, were only 3 cheaper at 412p.

Water and electricity shares continued to benefit from their perceived defensive qualities. Among waters, Northumbrian put on 2 to 500p. Severn Trent 3 to 422p and South West a penny to 424p.

Electricity shares also gained interest from institutions trading out of the Electricity Package, which ceases to be traded on September 4, and into selected electricity stocks. Midland gained 3 to 338p, Norweb 4 to 361p and Southern 7 to 335p. The package declined 12 to 3283p.

George Wimpey suffered in an unhappy building sector, with a leading UK broker turning bearish ahead of the interims. Worries about post-results profits downgrades and the stock's recent outperformance left the shares closing 13 lower at 99p.

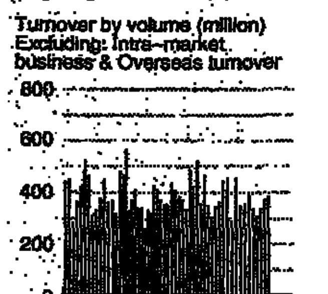
A rumour that Bass was negotiating to buy a 25 per cent stake in a Dutch hotel group further undermined the shares in an already weak drinks sector. The stock retreated 19 to 502p.

Arjo Wiggins Appleton was heavily traded, with Credit Lyonnais Laing said to be active. The shares lost 5 to 207p on turnover of 8.7m.

FT-A All-Share Index

Equity Shares Traded

Turnover by volume (million) Excluding: Intra-market business & Overseas turnover



MARKET REPORTERS:
Peter John,
Christopher Price,
Steve Thompson.

■ Other market statistics, Page 16

FINANCIAL TIMES STOCK INDICES

	Aug 24	Aug 21	Aug 20	Aug 19	Aug 18	Year Ago	1992 High	1992 Low	Since Compilation High	Since Compilation Low
Government Secs	87.90	88.43	88.59	88.54	88.62	85.94	89.75 (3/7)	85.11 (1/4)	127.40 (9/1/35)	49.18 (3/1/75)
Fixed Interest	104.56	105.15	105.28	105.10	105.23	94.93	106.35 (6/7)	97.15 (2/1)	106.35 (6/7/92)	50.53 (3/1/75)
Ordinary Share ⊙	1715.7	1755.4	1757.5	1765.6	1752.8	2058.1	2149.7 (22/5)	1713.7 (24/8)	2149.7 (22/5/92)	49.4 (26/6/40)
Gold Mines	82.4	82.5	82.4	82.1	81.1	167.7	160.6 (10/1)	80.2 (14/8)	734.7 (15/2/83)	43.5 (26/10/71)
FT-SE 100 Share	2311.1	2365.7	2359.4	2363.5	2354.7	2623.0	2737.8 (11/5)	2303.1 (12/8)	2737.8 (11/5/92)	986.9 (23/7/84)
FT-SE Eurotrack 200	1050.49	1077.86	1071.32	1072.96	1072.68	1176.55	1248.79 (11/5)	1050.49 (24/8)	1248.79 (11/5/92)	938.62 (16/1/91)
⊙Ord. Div. Yield	5.22	5.10	5.11	5.10	5.14	4.63				
⊙Earning Yld.% (full)	7.56	7.39	7.40	7.39	7.47	7.54				
⊙P/E Ratio (net)	16.71	17.09	17.06	17.08	16.92	16.55				
SEAQ Bargains (5.00pm)	18,919	23,298	19,692	15,585	16,876	30,772				
Equity Turnover(£m)†	-	832.8	822.7	776.0	730.1	1129.9				
Equity Bargains†	-	25,016	21,770	19,932	19,107	30,620				
Shares Traded (mln)†	-	367.6	376.1	349.4	313.8	424.5				

Basis 100 Govt. Secs 15/10/26, Fixed Int. 1928, Ordinary 1/7/35, Gold mines 12/9/55 Basis 1000 FT-SE 100 31/12/83 & FT-SE Eurotrack 200 26/10/90 ⊙ Nil 15.55.

Ordinary Share Index. Hourly changes Day's High 1724.8 Day's Low 1709.5

Open	9 am	10 am	11 am	12 pm	1 pm	2 pm	3 pm	4 pm
1715.2	1716.6	1722.4	1719.9	1721.6	1720.2	1711.7	1716.4	1709.7

FT-SE 100. Hourly changes Day's High 2334.2 Day's Low 2306.0

Open	9 am	10 am	11 am	12 pm	1 pm	2 pm	3 pm	4 pm
2320.7	2329.6	2330.7	2325.4	2323.9	2322.7	2314.9	2318.0	2306.8

FT-SE Eurotrack 200. Hourly changes Day's High 1059.20 Day's Low 1049.53

Open	10.30 am	11 am	12 pm	1 pm	2 pm	3 pm
1058.40	1059.26	1057.48	1058.04	1054.98	1052.17	1051.62

GILT EDGED ACTIVITY

Indices*	Aug 21	Aug 20
Gilt Edged Bargains	68.7	74.9
5 – Day average	67.0	79.1

*SE Activity 1974.
†Excluding intra-market business and Overseas turnover.

London report and latest Share index Tel 0891 123001. Calls charged at 36p/minute cheap rate, 48p/minute at all other times.

TRADING VOLUME IN MAJOR STOCKS

Stock	Volume 000's	Closing Price	Day's change	Stock	Volume 000's	Closing Price	Day's change	Stock	Volume 000's	Closing Price	Day's change	Stock	Volume 000's	Closing Price	Day's change
[illegible]				Comm. Union	798	453	-7	Lonrho	4,500	72	-4	Shell Transport	3,500	452	-15
[illegible]				Cookson	608	132		Lucas	673	98	-1	Siebe	749	562	-14
[illegible]				Courtaulds	298	462	-12	MB Caradon	953	226	-6	Slough Ests	465	97	-3
[illegible]				Dalgety	6	363	-3	MEPC	357	238	-10	Smith (W H) A	110	364	-13
[illegible]				De La Rue	435	535	-11	Manweb	1,100	347	-3	Smith & Nephew	704	130	-3
[illegible]				Dixons	3,700	197	-4	Marks & Spencer	4,300	286	-8	SmKl Beecham	3,300	454	-7
[illegible]				Eastern Elect	712	284	-3	Midlands Elect	1,100	338	+3	SmKl Beecham Uts	1,100	412	-3
[illegible]				East Midland Elect	1,000	307	-5	NFC	1,100	239	-6	Smiths Inds	31	270	-6
[illegible]				Eng China Clays	2,800	480	-5	NatWest Bank	2,200	314	-8	Southern Elect	1,600	335	+7
[illegible]				Enterprise Oil	1,200	357	-3	National Power	1,400	229	-3	South Wales Elect	1,300	376	+2
[illegible]				[illegible]				[illegible]				[illegible]			
British Land	1,000	150	-9	Kingfisher	1,100	430	-23	Royal Insurance	2,200	145	-18	Wellcome	2,200	804	-16
British Steel	2,300	51½	-2	Kwik Save	160	645	-7	Saatchi	24	136	-3	Welsh Water	205	462	+1
Bunzl	[illegible]	84	[illegible]	Ladbroke	2,600	140	-7	Sainsbury	1,600	447	-2	Wessex Water	780	518	+2
Burmah Castrol	906	566	-6	Land Securities	568	380	-8	Scottish & New	952	423	-9	Whitbread 'A'	2,000	390	-7
Burton	1,100	32	-1½	Laporte	483	455	-26	Scot. Hydro-Elect	674	201		Williams Hldgs	2,800	243	-7
Cable & Wire	1,600	495	[illegible]	Legal & General	416	301	-8	Scottish Power	4,900	184		Willis Corroon	2,800	147	-5½
Cadbury Schweppes	1,300	448	-7	Lloyds Abbey	482	305	-3	Sears	795	87	-½	Wimpey	484	99	-13
Calor Group	9	170	[illegible]	Lloyds Bank	1,600	396	-10	Sedgwick	3,700	102	-4	Wolseley	140	317	-11
Carlton Comm	1,300	581	-18	LASMO	376	135	-1½	Seeboard	406	315	-4	Yorkshire Elect	750	366	-1
Coats Viyella	992	156	-5	London Elect	1,000	308	-1	Severn Trent Water	2,200	422	+3	Yorkshire Water	652	475	

Based on the trading volume for a selection of Alpha securities dealt through the SEAQ system yesterday until 4.30pm. Trades of one million or more are rounded down.

EQUITY FUTURES AND OPTIONS TRADING

A STEADY performance from sterling and the absence of any move in UK interest rates helped calm the futures market in strong trading yesterday, writes Christopher Price.

The FT-SE contract for September delivery opened up at 2,317 and moved smartly forward as sterling held up and fears over a rise in base rates receded. This sentiment continued to drive the contract forward until 10am when September reached its high point of the day of 2,340.

From there, it began to drift away as first the weak gilts market and then poor UK trade figures undermined the contract.

In the afternoon, a faltering dollar forewarned of a negative opening on Wall Street which further unhinged September. By mid-afternoon, the contract reached its low point of 2,310, before rallying towards the close. It finished at 2,316, down 58 on Friday's close and at a 2.5-point premium to fair value of around 5.5. Volume was a healthy 12,269 lots.

Lacklustre turnover in the traded options market saw 23,847 contracts dealt, 14,057 of which were in the FT-SE option. Hanson was the top traded stock at 916 contracts, followed by Barclays on 824 and Commercial Union at 571.

FT-ACTUARIES SHARE INDICES

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	EQUITY GROUPS & SUB-SECTIONS (Figures in parentheses show number of stocks per section)	Monday August 24 1992 Index No.	Day's Change %	Est. Earnings Yield% (Max.)	Gross Div. Yield% (Act at (25%))	Est. P/E Ratio (Net)	xd adj. 1992 to date	Fri Aug 21 Index No.	Thu Aug 20 Index No.	Wed Aug 19 Index No.	Year ago (approx) Index No.
1	CAPITAL GOODS (175)	700.84	-2.3	8.42	6.38	15.22	21.54	716.98	717.43	720.39	858.27
2	Building Materials (23)	711.31	-3.8	7.64	7.79	17.75	27.19	739.75	747.22	755.34	1102.57
3	Contracting, Construction (27)	562.09	-3.4	6.23	10.62	34.93	25.52	581.85	577.96	579.97	1164.45
4	Electricals (9)	2094.25	-2.9	7.86	7.18	16.42	73.60	2157.72	2162.67	2184.12	2481.79
5	Electronics (27)	1872.67	-1.1	8.62	4.60	14.47	46.26	1894.31	1902.08	1896.92	1757.31
6	Engineering-Aerospace (6)	298.31	-2.5	12.21	8.74	10.36	11.27	305.94	304.09	302.06	409.65
7	Engineering-General (43)	424.29	-2.1	9.66	5.68	13.15	12.65	433.43	433.46	434.00	478.81
8	Metals and Metal Forming (7)	266.45	-2.2	6.44	8.27	22.69	7.30	272.31	270.62	271.95	449.72
9	Motors (14)	295.77	-2.6	9.08	7.97	14.50	12.80	303.75	305.16	307.25	358.41
10	Other Industrial Materials (19)	1542.93	-1.8	8.04	5.37	14.96	38.28	1570.77	1565.01	1574.72	1646.64
21	CONSUMER GROUP (191)	1468.61	-2.1	8.33	3.91	14.74	28.02	1500.35	1498.46	1500.42	1561.66
22	Brewers and Distillers (25)	1890.35	-1.7	8.79	3.87	13.72	37.45	1922.63	1929.36	1940.13	1898.02
25	Food Manufacturing (19)	1109.12	-2.0	9.73	4.76	12.71	26.54	1131.84	1133.30	1130.96	1219.08
26	Food Retailing (18)	2603.40	-1.5	9.37	3.50	13.91	47.40	2644.02	2645.28	2641.41	2673.16
27	Health and Household (24)	3714.32	-2.7	7.48	2.88	15.24	42.46	3818.73	3797.42	3792.33	3739.16
29	Hotels and Leisure (18)	982.88	-2.2	8.18	6.97	15.89	38.02	1005.42	997.24	997.62	1360.51
30	Media (27)	1383.43	-1.7	7.31	3.81	17.03	29.64	1407.14	1399.17	1410.31	1491.95
31	Packaging, Paper & Printing (17)	701.83	-1.7	7.38	4.71	16.37	16.15	713.66	715.04	727.05	769.32
34	Stores (34)	923.95	-2.4	8.17	4.04	16.19	17.01	946.33	947.73	945.22	1023.84
35	Textiles (9)	560.72	-2.4	8.65	5.53	14.40	15.02	574.61	571.91	577.65	614.71
40	OTHER GROUPS (117)	1181.26	-1.7	10.50	5.75	11.89	37.04	1202.28	1195.97	1196.51	1283.58
41	Business Services (17)	1201.93	-1.9	7.10	4.31	17.20	21.45	1224.79	1209.49	1209.98	1409.29
42	Chemicals (22)	1280.29	-2.0	7.67	5.68	16.18	45.85	1305.83	1301.60	1307.63	1469.73
43	Conglomerates (10)	1097.18	-3.8	10.43	10.02	12.29	37.23	1140.61	1136.86	1142.58	1519.91
44	Transport (14)	2174.25	-2.3	9.19	5.43	13.37	55.92	2224.39	2219.29	2223.86	2317.60
45	Electricity (16)	1334.39	-0.3	15.20	5.50	8.38	44.58	1338.31	1321.81	1333.02	1230.15
46	Telephone Networks (4)	1370.68	-2.3	11.03	4.82	11.82	46.15	1403.59	1395.26	1391.03	1555.59
47	Water (11)	2918.72	-0.1	15.35	5.93	7.21	86.85	2921.61	2853.28	2828.52	2379.66
48	Miscellaneous (23)	1890.10	-0.9	7.03	5.35	17.85	54.03	1907.64	1929.46	1921.15	1930.11
49	INDUSTRIAL GROUP (483)	1184.88	-2.0	9.06	4.94	13.74	29.75	1209.30	1206.60	1208.43	1301.56
51	Oil & Gas (17)	1788.51	-2.1	8.47	6.82	15.45	69.56	1827.64	1816.58	1811.11	2486.56
59	500 SHARE INDEX (500)	1243.38	-2.0	9.00	5.13	13.89	32.95	1269.16	1265.85	1267.20	1402.75
61	FINANCIAL GROUP (84)	639.72	-3.1	-	6.91	-	26.05	660.18	659.98	666.37	836.06
62	Banks (9)	859.95	-3.4	7.45	6.41	19.33	36.70	890.26	886.07	898.56	990.14
65	Insurance (Life) (6)	1357.87	-2.4	-	6.57	-	45.47	1391.83	1383.77	1383.52	1589.20
66	Insurance (Composite) (7)	436.04	-4.1	-	7.19	-	15.81	454.64	458.71	459.00	654.23
67	Insurance (Brokers) (10)	535.33	-4.8	13.28	10.23	9.88	39.26	562.23	592.24	621.17	1168.11
68	Merchant Banks (7)	397.99	-0.6	-	5.43	-	12.37	400.59	400.58	398.08	436.18
69	Property (30)	504.05	-2.3	11.97	9.06	11.19	21.34	515.99	516.35	521.49	938.90
70	Other Financial (15)	219.45	-0.8	8.37	7.88	16.16	6.63	221.31	222.17	221.42	258.88
71	Investment Trusts (70)	1035.36	-1.9	-	4.34	-	24.24	1055.69	1050.86	1051.40	1235.41
99	ALL-SHARE INDEX (654)	1098.98	-2.2	-	5.33	-	30.86	1123.24	1120.57	1122.95	1264.73

	Index No.	Day's Change	Day's High (a)	Day's Low (b)	Aug 21	Aug 20	Aug 19	Aug 18	Aug 17	Year ago
FT-SE 100 SHARE INDEX♦	2311.1	-54.6	2334.2	2306.0	2365.7	2359.4	2363.5	2354.7	2376.1	2640.7

FIXED INTEREST

	PRICE INDICES	Mon Aug 24	Day's change %	Fri Aug 21	Accrued interest	xd adj. 1992 to date
	British Government					
1	Up to 5 years (23)	120.59	-0.40	121.08	1.83	8.49
2	5-15 years (25)	135.41	-0.87	136.75	1.53	9.45
3	Over 15 years (8)	147.42	-1.03	148.96	1.91	8.14
4	Irredeemables (6)	167.75	-0.50	168.59	3.42	7.34
5	All stocks (62)	133.40	-0.75	134.49	1.70	9.12
	Index-Linked					
6	Up to 5 years (2)	170.51	-0.07	170.63	0.07	3.25
7	Over 5 years (10)	147.36	-0.19	147.64	0.61	3.33
8	All stocks (12)	149.37	-0.17	149.63	0.54	3.29
9	Debs & Loans (62)	118.67	-0.97	121.27	1.84	8.26

	AVERAGE GROSS REDEMPTION YIELDS		Mon Aug 24	Fri Aug 21	Year ago (approx.)
	British Government				
1	Low	5 years	8.89	8.66	8.92
2	Coupons	15 years	8.97	8.88	9.65
3	(0%-7¾%)	20 years	8.97	8.88	9.65
4	Medium	5 years	9.65	9.47	10.02
5	Coupons	15 years	9.22	9.09	9.83
6	(8%-10¾%)	20 years	9.14	9.02	9.78
7	High	5 years	9.89	9.70	10.20
8	Coupons	15 years	9.43	9.28	9.94
9	(11%-)	20 years	9.31	9.18	9.84
10	Irredeemables	†	9.18	9.13	9.85
	Index-Linked				
11	Inflation rate 5%	Up to 5yrs.	4.36	4.33	3.91
12	Inflation rate 5%	Over 5 yrs.	4.58	4.57	4.37
13	Inflation rate 10%	Up to 5 yrs.	3.58	3.55	2.93
14	Inflation rate 10%	Over 5 yrs.	4.39	4.38	4.17
15	Debs &	5 years	10.79	10.68	11.73
16	Loans	15 years	10.53	10.38	11.51
17		25 years	10.38	10.24	11.32

♦Opening index 2320.7; 9 am 2329.6; 10 am 2330.7; 11 am 2325.4; Noon 2323.9; 1 pm 2322.7; 2 pm 2314.9; 2.30 pm 2316.9; 3 pm 2318.0; 4.10 pm 2308.3; (a) 9.21am (b) 3.54pm † Flat yield. Highs and lows record, base dates, values and constituent changes are published in Saturday issues. A list of constituents is available from the Publishers, The Financial Times, Number One, Southwark Bridge, London SE1 9HL. The FT-ACTUARIES SHARE INDICES SERVICE covers a range of electronic and paper-based products relating to these indices. These are available by subscription from FINSTAT, 2nd Floor, 126 Jermyn Street, London SW1Y 4UJ. Tel: 071-925 2323.

NEW HIGHS AND LOWS FOR 1992

[illegible]

LONDON SHARE SERVICE

BRITISH FUNDS

	Notes	Price £	+ or -	1992 high	1992 low	Yield Int.	Yield Red.
"Shorts" (Lives up to Five Years)							
13½pc 1992		100⅜xd		102½	100⅜	13.46	10.15
Treas 8¾pc 1993		99		99⅞	97	8.32	9.99
10pc 1993‡‡		99		100½	99	10.02	10.32
12½pc 1993‡‡		101	-¼	103	101	12.27	10.19
Funding 6pc 1993‡‡		96xd		97	95	6.19	9.11
Treas 13¾pc 1993‡‡		104⅛		106	104⅛	13.21	10.06
[illegible]							

BRITISH FUNDS - Cont.

	Notes	Price £	+ or -	1992 high	1992 low	Yield Int.	Yield Red.
Treas 10½pc 1999		104½		107	101	10.05	9.60
Conversion 10¼pc 1999		103		106	100	9.91	9.59
9pc 2000‡‡		97⅞xd		100	94⅝	9.20	9.42
Treas 13pc 2000		117		121¼	114	11.08	9.79
10pc 2001		103xd		106¼	99	9.71	9.48
14pc '98-01		117	-1	121	115	11.94	9.96
9¾pc 2002		102xd		105⅜	98⅜	9.55	9.42
[illegible]							

BRITISH FUNDS - Cont.

	Notes	Price £	+ or -	1992 high	1992 low	Yield Int.	Yield Red.
Index – Linked							
	(b)					(1)	(2)
Treas. 2pc '94	(102.9)	126⅛	-⅛	127⅝	122¾	2.54	4.09
2pc '96	(67.9)	181xd	-⅛	184¼	176¾	3.75	4.42
2½pc '01	(78.3)	143½xd		148	143	4.46	4.80
2½pc '03	(78.8)	138⅞		144	138	4.48	4.77
2pc '06	(69.5)	141		147	139	4.47	4.70
2½pc '09	(78.8)	128	-¼	134¼	126	4.45	4.65
[illegible]							

OTHER FIXED INTEREST

[illegible]

LONDON SHARE SERVICE

AMERICANS

Notes	Price £	+ or -	1992 high	1992 low	Mkt Cap £m	Yld Gr's
Abbott Labs h	15⅛xd	-½	19⅛	14⅝	12,938	2.1
Allegheny & W	316p	-	338p	226p	161.1	6.1
Amdahl	677p	-	1159p	671p	758.5	0.8
Amer Cyanamid	29¾	-1	37	28⅞	2,719	2.9
Amer Express	10½xd	-⅜	13⅞	10½	4,987	5.0
Amer T & T	21⅝xd	-⅜	24⅞	20⅛	28,852	3.2
Ameritech	35	-1	36¾	32½	18,324	5.3
BankAmerica	21⅞xd	-1⅛	27⅛	19⅛	7,609	3.1
Bankers NY	31⅛xd	-⅝	37⅛	28⅞	2,099	4.3
Bell Atlantic	24¼	-⅝	28¼	23⅛	10,654	5.5
BellSouth	27⅛	-1⅛	29⅛	25	13,822	5.3
Bethlehem Steel	6⅛xd	-⅛	9⅝	6⅛	637.4	-
Bowater	957pxd	-43	1579p	957p	345.1	6.6
CPC h	25xd	-¾	26⅛	22⅛	3,768	2.5
Cadiz Land Inc	128p	-	343p	128p	-	-
Campbell Soup	19½xd	-⅜	23⅞	17⅝	4,894	2.1
Chase Manhattan	12⅛xd	-⅛	16½	9⅛	1,794	5.2
Chrysler	10⅝xd	-⅛	11½	6⅛	3,038	3.0
Citicorp	8⅝xd	-⅛	11⅛	5⅞	3,025	-
Colgate-Palm	28⅛xd	-⅛	29⅞	25⅛	4,476	2.3
Cont'l Bank	677p	-	1036p	499p	686.2	3.8
Dana	18⅞xd	-⅛	24½	14⅞	657.0	4.4
Data General	388p	-18	1004p	388p	187.1	-
Dun & Brad	27⅞	-⅛	33½	27⅝	4,973	4.3
Eaton	38½	-2	46½	32½	1,323	3.0
Echlin	9⅝xd	+⅛	11	7⅝	828.8	3.9
FPL	19⅝xd	-⅛	20	18⅛	3,458	6.6
Fluor	20¼	-⅝	27	19⅛	1,662	1.0

[illegible]

CANADIANS

[illegible]

BANKS

[illegible]

BREWERS & DISTILLERS

[illegible]

BUILDING MATERIALS

[illegible]

BUILDING MATERIALS - Cont.

[illegible]

BUSINESS SERVICES

[illegible]

CHEMICALS

[illegible]

CONGLOMERATES

[illegible]

CONTRACTING & CONSTRUCTION

[illegible]

CONTRACTING & CONSTRUCTION - Cont.

[illegible]

ELECTRICALS

[illegible]

ELECTRICITY

[illegible]

ELECTRONICS

[illegible]

ENGINEERING - AEROSPACE

[illegible]

ENGINEERING - GENERAL

[illegible]

ENGINEERING - GENERAL - Cont.

[illegible]

FOOD MANUFACTURING

[illegible]

FOOD RETAILING

[illegible]

HEALTH & HOUSEHOLD

[illegible]

HOTELS & LEISURE

[illegible]

HOTELS & LEISURE - Cont.

[illegible]

INSURANCE BROKERS

[illegible]

INSURANCE COMPOSITE

[illegible]

INSURANCE LIFE

[illegible]

INVESTMENT TRUSTS

[illegible]

INVESTMENT TRUSTS - Cont.

[illegible]

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INVESTMENT TRUSTS - Cont.

	Notes	Price	+or -	1992 high	low	Yld Gr's	NAV	Dis or Pm(-)
Scottish Inv	†	148	-3½	178	148	4.8	179.3	17.3
Warrants		23	-1	36	22	–	–	–
Scot Mortgage		137	-3	167	137	5.8	163.8	16.1
Scot National Inc		68½xd	-2	107	68½	17.2	–	–
Cap		19	-1	42	12½	–	–	–
Stepped Pf	†	135½	-½	147	128	8.9	–	–
Zero Div Pf		185½	-1	187½	166½	–	–	–
Warrants		3½	—	1	3	–	–	–
Scot Value	†a	58½	—	64	48	4.8	58.3	-0.3
Sec Alliance	†	1080	-20	1285	1080	4.8	1220.7	11.4
Second Market	s	229	-2	344	222	8.4	278.6	17.8
Sec Tst Scot		62½	-1	76½	62½	6.9	63.9	2.2
Select Assets		80	-2	102½	80	1.5	116.4	31.3
Eq Ind Sert		106	-1	123	106	6.2	–	–
Eq Ind SertL		106	-1	123	108	6.2	–	–
Shires		282	-3	248	185	12.1	198.7	-0.9
11pc Cv Ln '03/04		£97½xd	-6	£119½	£96½	11.3	–	–
Smr Select		68xd	+½	91	68	6.8	90.9	25.1
Warrants		18	—	21	10	–	–	–
Smaller Cos		68	-3	85	67	4.6	80.3	14.1
Warrants		11	—	20	10	–	–	–
Somerset Tst		122	—	140	55	–	79.7	-53.2
Sphere Inc	N	9¼	-¼	30	9¼	42.4	10.8	2.6
Zero Div Pf		67½	-½	77¼	65¼	–	–	–
Sumit		31	—	55	30	6.4	109.1	72.0
TR City of Lon		101	-2½	127½	97½	6.3	100.5	0.5
TR Euro Growth	s	72	-1	90	72	1.9	90.3	20.3
Ptg Sub	s	35	-1	54	35	3.8	–	–
TR Far East Inc	M	80xd	-2	96	78	7.3	87.4	8.5
Warrants		18	—	22	12	–	–	–
TR High Inc		95	-1	110	91	8.4	93.5	-1.3
Sub	g	23	—	35	22	8.7	–	–
TR Pacific	s	73	-3	90	71	1.6	81.7	10.6
TR Prop		15¼	-¼	27	15¼	12.7	27.0	43.6
TR Smaller		106	-2	132	106	4.7	122.6	13.6

[illegible]

INVESTMENT COMPANIES

[illegible]

MEDIA

[illegible]

MEDIA - Cont.

	Notes	Price	+or -	1992 high	low	Mkt Cap£m	Yld Gr's
VTR		48	-2	65	48	8.51	9.4
WPP		38	-1	118	31	79.2	–
Warrants		8	—	8½	1½	0.16	–
Wolmoughs		400	—	400	301	141.2	3.3
Yorkshire TV		164	—	191½	149½	78.8	10.4

MERCHANT BANKS

	Notes	Price	+or -	1992 high	low	Mkt Cap£m	Yld Gr's
Ansbacher (H)		28	-1	34	28	46.5	–
Barings Sec Cm 2nd Pf		90	-1	100	83½	12.0	11.1
9¼pc Non-Cum Pf		110¼	-½	126	103¼	47.3	11.0
Brown Shipley		63	—	204	50	8.45	–
Close Bros	†	230	—	287	210	80.7	6.5
Hambros		208	-2	282	208	358.6	8.8
7½pc Cv Pf		105	-2½	119	93	154.6	10.1
Joseph (L)		318	-5	380	313	18.4	6.9
Kleinwort Benson		294	-1	324	212	383.1	9.1
Rea Bros		25½xd	-½	37	25½	18.8	2.6
Schroders		1178	-5	1385	1040	890.2	2.0
N/V		979	-2	1158	893	127.7	2.5
Singer & Fried		34	—	58	34	66.4	8.8
Warburg (SG)		400	-3	605	403	651.4	5.9
6pc Cv Pf		180xd	—	284	138	89.1	5.8
Wintrust		213xd	+1½	263	213	18.1	5.8

METALS & METAL FORMING

	Notes	Price	+or -	1992 high	low	Mkt Cap£m	Yld Gr's
ASW		68	-1	185	68	44.8	18.2
Apollo Metals		107	—	147	106	12.5	4.3
Ash & Lacy		138	-3	165	138	36.8	6.2

[illegible]

MISCELLANEOUS

[illegible]

MOTORS

[illegible]

OIL & GAS

[illegible]

OIL & GAS - Cont.

[illegible]

OTHER FINANCIAL

[illegible]

OTHER INDUSTRIAL MATERIALS

[illegible]

PACKAGING, PAPER & PRINTING

[illegible]

PACKAGING, PAPER & PRINTING - Cont.

[illegible]

PROPERTY

[illegible]

STORES

[illegible]

STORES - Cont.

[illegible]

TELEPHONE NETWORKS

[illegible]

TEXTILES

[illegible]

TRANSPORT

[illegible]

WATER

[illegible]

SOUTH AFRICANS

[illegible]

PLANTATIONS

[illegible]

Teas

[illegible]

MINES

[illegible]

MINES - Cont.

[illegible]

	Notes	Price	+or -	1992 high	low	Mkt Cap£m	Yld Gr's
‡‡Ivernia West IE		33	—	53	32	18.8	–
‡‡Kells Minls IE		18	—	42	14	0.43	–
Kenmare		2¼	—	6½	2¼	2.18	–
Mefinga Res		17	-2	48	16½	1.88	–
‡‡Navan Res IE		23½	—	28	16	3.16	–
North West Expl A$		3	—	8	2	1.01	–
Oryx Gold $		56	—	108	51	–	–
Plateau		3	—	13	3	1.37	–
RTZ		514	-16	589	459	5,150	5.1
Vizcaya		1¾	—	3	1	0.84	–
Western & Pac C$		10½	-2½	86	7	5.78	–
Young Grp	‡	14	—	118	4	2.11	‡

GUIDE TO LONDON SHARE SERVICE

Company classifications are based on those used for the *FT-Actuaries* Indices and FT-Actuaries World Indices.

Closing mid-prices are shown in pence unless otherwise stated. Highs and lows are based on intra-day mid-prices.

Where stocks are denominated in currencies other than sterling, this is indicated after the name.

Symbols referring to dividend status appear in the notes column daily as a guide to yields and P/E ratios. Dividends and Dividend covers are published on Monday.

Market capitalisation shown is calculated separately for each line of stock quoted.

Estimated price/earnings ratios are based on latest annual reports and accounts and, where possible, are updated on interim figures. P/Es are calculated on "net" distribution basis, earnings per share being computed on profit after taxation, excluding exceptional profits/losses and unrelieved ACT where applicable. Yields are based on mid-prices, are gross, adjusted to ACT of 25 per cent and allow for value of declared distribution and rights.

Estimated Net Asset Values (NAVs) are shown for Investment Trusts, in pence per share, along with the percentage discounts (Dis) or premiums (Pm -) to the current pre-closing share price. The NAV basis assumes prior charges at par value, convertibles converted and warrants exercised if dilution occurs.

- ■ Indicates the most actively traded stocks. This includes UK stocks where transactions and prices are published continuously through the Stock Exchange Automated Quotation system (SEAQ).
- ● "Tap Stock"
- * Highs and lows marked thus have been adjusted to allow for rights issues for cash
- † Interim since increased or resumed
- ‡ Interim since reduced, passed or deferred
- ‡‡ Tax-free to non-residents on application
- ♦ Figures or report awaited
- ♥ Not officially UK listed; dealings permitted under rule 535(4)(a)
- ♣ USM; not listed on Stock Exchange and company not subjected to same degree of regulation as listed securities.
- ‡‡ Not officially UK listed; dealings permitted under Rule 535(2)
- ¤ Price at time of suspension
- ¶ Indicated dividend yield after pending scrip and/or rights issue.
- ♦ Merger bid or reorganisation in progress
- § Forecast dividend yield; p/e based on earnings updated by latest interim statement.
- ♠ Unregulated collective investment scheme.

a Yield based on annualised dividend
b Figures based on prospectus or other official estimates.
c Cents.
f Flat yield.
g Assumed dividend yield after rights issue.
h Assumed dividend yield after scrip issue.
r Rights issue pending
q Earnings based on preliminary figures.
s Dividend yield excludes a special payment.
t Indicated dividend yield, p/e ratio based on latest annual earnings.
u Forecast, or estimated annualised dividend yield, p/e based on previous year's earnings.
v Subject to local tax.
z Dividend yield includes a special payment
E Auction basis
F Yield based on prospectus or other official estimates for 1990-91.
G Assumed yield after pending scrip and/or rights issue.
H Yield based on prospectus or other official estimates for 1991.
K Yield based on prospectus or other official estimates for 1992-93
L Estimated annualised yield, p/e based on latest annual earnings.
M Yield based on prospectus or other official estimates for 1991-92.
N Yield based on prospectus or other official estimates for 1992.
P Figures based on prospectus or other official estimates for 1991
R Forecast annualised yield, p/e based on prospectus or other official estimates.
T Figures assumed.
W Pro forma figures.
Z Dividend yield to date.

Abbreviations:
xd ex dividend;
xc ex scrip issue;
xr ex rights;
xa ex all;
xd ex capital distribution.

This service is available to companies whose shares are regularly traded in the United Kingdom for a fee of £1200 a year for each security shown, subject to the Editor's discretion

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● Current Unit Trust prices are available on FT Cityline. Calls charged at 36p/minute cheap rate and 48p/minute at all other times. To obtain a free Unit Trust Code Booklet ring (071) 925-2128.

AUTHORISED UNIT TRUSTS

	Init Charge	Canc. Price	Bid Price	Offer Price	+ or -	Yield Gr's
AIB Unit Trust Managers Limited (1000)F						
51 Belmont Rd, Uxbridge, Middx UB8 1RZ 0895 259783						
AIB Grofund American	5	109.1	110.3	116.1	-2.60	0.00
AIB Grofund Equity	5	164.1	166.2	175.3	-2.90	2.75
AIB Grofund Euro	5	123.2	124.9xd	131.5	-1.00	1.21
AIB Grofund Gilt	3	69.36	69.39xd	71.94	-0.32	6.51
AIB Grofund Japan	5	99.13	96.23	101.3	-1.62	0.00
Abbey Unit Tst Mngrs (1000)H						
80 Holdenhurst Rd, Bournemouth 0345 717373						
High Income						
Gilts & Fixed Int	6	119.5	119.5	126.7	-0.7	8.17
High Inc Equity	6	111.2	114.0xd	121.2	-2.0	7.01
Worldwide Bond	6	211.6	211.6xd	224.2	-2.0	6.35
Capital Growth						
American Growth	6	181.3	181.3	193.9	-5.1	.50
Asian Pacific	6	136.2	129.2	137.4	-4.2	.82
Assets & Earnings	6	166.3	166.3	177.8	-2.6	1.90
Capital Reserve Acc	0	117.4	117.4	117.4		7.65
Capital Reserve Inc	0	86.85	86.85	86.85		7.65
Commodity & Energy	6	55.95	55.95	59.83	-1.38	1.99
1992 Enterprise	6	62.81	62.81	67.17	-0.54	4.44
Euro Capital Acc	6	84.88	84.88	90.78	-0.57	1.15
Euro Capital Inc	6	80.43	80.43	86.02	-0.55	1.16
General	6	150.3	150.3xd	160.7	-2.6	3.61
Japan	6	66.75	66.75	71.39	+0.82	-
Mastertrust	6	79.37	79.37	84.88	-0.85	2.77
UK Growth Acc	6	140.0	147.3	156.7	-1.5	3.12
UK Growth Dist	6	88.37	93.02	98.95	-1.00	3.12
US Emerging Cos	6	64.37	64.37	68.84	-1.81	-
Income & Growth	6	266.0	266.0	284.4	-4.2	4.92
Ethical	6	47.51	48.89	52.00	-0.57	6.52
Dividend & Growth	6	41.96	42.93xd	45.66	-0.74	6.57
Global Gwth & Sec	6	54.66	54.92	58.42	+0.21	9.41
Aberforth Unit Trust Managers Ltd (1600)F						
16 Chester St Edinburgh EH3 7RA 031 220 0733						
UK Small Cos	0	968.0	968.0	1024.0		-
Abtrust Unit Trust Managers Ltd (1200)H						
10 Queens Terrace Aberdeen AB9 1QJ 0800 833580						
Amer Inc & Growth	5¼	29.09	29.09	30.76	-0.48	2.75
Cash	0	50.84	50.84	50.84	+0.03	9.19
European	5¼	62.98	62.98	66.95	-0.54	0.00
European Income	5¼	64.01	64.01xd	67.95	-0.39	1.97
Exempt	1	712.9	712.9xd	744.3	-11.3	4.11
Extra Income	5¼	33.42	33.42	36.41	-0.37	6.96
Far East Emerg Ecos	5¼	50.09	50.09xd	53.85	-1.13	1.19

	Init Charge	Canc. Price	Bid Price	Offer Price	+ or -	Yield Gr's
Brycourt Unit Tst Mgmt Ltd (1400)F						
Hesketh Hse Portman Sq, W1H 0JR 071-935 6382						
Income Growth	1	161.2	161.2	166.0		7.00
Buckmaster Mangmt Co Ltd (1200)H						
15 St Botolph Street, London EC3A 7JJ 071-247 4542						
Fellowship Tst	5¼	45.48	45.48	48.21	-0.51	3.64
(Accum Units)	5¼	49.82	49.82	52.81	-0.56	3.64
Income	5¼	159.6	161.9	172.3	-2.2	5.63
(Accum Units)	5¼	354.4	359.6	382.6	-4.8	5.63
Smaller Co's	5¼	86.73	86.73	91.93	-0.48	3.56
(Accum Units)	5¼	102.0	102.0	108.1	-0.7	3.36
Inv Portfolio	3	49.86	49.86xd	51.61	-0.83	3.30
(Accum Units)	3	55.86	55.86xd	57.82	-0.97	3.30
High Income Port	3	45.12	45.97	47.64	-0.67	6.20
Burrage Unit Tst Mangmt Ltd (0905)F						
117 Fenchurch St, London EC3M 5AL 071-480 7216						
Short Dated Gilt	1¼	63.02	63.02	63.87	-0.24	7.33
CCL Unit Trusts Ltd (1400)F						
74 Shepherds Bush Green, W12 8SD 081-740 7070						
UK General Tst	5½	47.00	48.02	51.09	-1.03	2.86
Global Tst	5½	35.56	36.52	38.85	-0.68	0.35
Recovery Tst	5½	44.34	45.36	48.25	-0.99	1.92
CIS Unit Managers Ltd (1000)F						
PO Box 105, Manchester M60 0AH 061 837 5060						
Environ	6	101.6	104.3	111.0	-0.9	2.50
UK Growth	6	108.5	110.3xd	117.4	-1.6	3.15
UK Income	6	94.24	95.78	101.9	-1.2	6.08
For CS Fund Mngrs see City Financial UT						
Canada Life Unit Tst Mgrs Ltd (1200)F						
High St, Potters Bar, Herts EN6 5BA 0707 51122						
Can Gen Dist	6	129.9	132.7xd	140.7	-2.0	3.55
Do Gen Accum	6	238.0	243.3	257.9	-3.7	3.55
Do Income Dist	6	77.83	80.05	84.85	-1.04	7.09
Do Inc Accum	6	210.8	216.8	229.8	-2.8	7.09
Gilt & Fxd Int	6	36.91	36.97xd	39.19	-0.42	7.45
Cannon Fund Managers Ltd (1200)H						
1 Olympic Way, Wembley, HA9 0NB 081-902 8876 Dealing 0800 282621						
Growth	5½	34.87	34.87xd	37.29	-0.88	4.06
Income	5½	39.75	39.75xd	42.51	-0.67	6.34
Far East	5½	29.04	29.04	31.06	-0.14	0.48
North American	5½	51.00	51.00	54.84	-2.20	0.01
Global	5½	54.64	54.64	58.44	-1.09	1.09
European	5½	51.14	51.14	54.69	-0.40	1.49
Japan	5½	63.74	63.74	68.17	+0.89	0.01
Intl Currency Bd	5½	46.43	46.43	49.20	-0.47	7.51
SE Asia	6	49.68	49.68	53.13	-0.18	1.72
UK Capital Growth	6	56.13	56.13	60.03	-0.85	3.06

	Init Charge	Canc. Price	Bid Price	Offer Price	+ or -	Yield Gr's
Mercury Fund Managers Ltd (1000)H						
33 King William St, EC4R 9AS 071-280 2060						
American	5	120.9	120.9	128.7	-3.30	0.00
(Accum Units)	5	129.3	129.3	137.5	-1.70	0.00
American Opps	5	48.32	48.32	51.55	-1.27	0.00
(Accum Units)	5	48.98	48.98	52.25	-1.29	0.00
British Blue Chip	5	58.39	58.50	62.40	-0.70	4.23
(Accum Units)	5	66.79	66.90	71.37	-0.80	4.23
Cash	0	100.8	100.8	100.8	+0.10	9.72
(Accum Units)	0	124.3	124.3	124.3	+0.10	9.72
European Growth	5	148.4	148.4xd	157.1	+0.50	0.57
(Accum Units)	5	159.1	159.1xd	168.4	+0.60	0.57
European Income	5	58.74	58.74	62.22	+0.11	3.78
(Accum Units)	5	73.52	73.52	77.87	+0.12	3.78
General	5	355.9	357.7	381.6	-5.30	3.31
(Accum Units)	5	661.5	664.9	709.3	-9.80	3.31

Guide to pricing of Authorised Unit Trusts

Compiled with the assistance of Lautro §§

INITIAL CHARGE: Charge made on sale of units. Used to defray marketing and administrative costs, including commission paid to intermediaries. This charge is included in the price of units.

OFFER PRICE: Also called issue price. The price at which units are bought by investors.

BID PRICE: Also called redemption price. The price at which units are sold back by investors.

CANCELLATION PRICE: The minimum redemption price. The maximum spread between the offer and bid prices is determined by a formula laid down by the government. In practice, most unit trust managers quote a much narrower spread. As a result, the bid price is often set above the cancellation price. However, the bid price might be moved to the cancellation price by the managers at any time, usually in circumstances in which there is a large excess of sellers of units over buyers.

TIME: The time shown alongside the fund manager's name is the time of the unit trust's valuation point unless another time is indicated by the symbol alongside the individual unit trust name. The symbols are as follows: (♥) - 0001 to 1100 hours; (♣) - 1101 to 1400 hours; (♦) - 1401 to 1700 hours; (♠) - 1701 to midnight. Daily dealing prices are set on the basis of the valuation point; a short period of time may elapse before prices become available.

HISTORIC PRICING: The letter H denotes that the managers will normally deal on the price set on the most recent valuation. The prices shown are the latest available before publication and may not be the current dealing levels because of an intervening portfolio revaluation or a switch to a forward pricing basis. The managers must deal at a forward price on request, and may move to forward pricing at any time.

FORWARD PRICING: The letter F denotes that the managers deal at the price to be set on the next valuation. Investors can be given no definite price in advance of the purchase or sale being carried out. The prices appearing in the newspaper are the most recent provided by the managers.

SCHEME PARTICULARS AND REPORTS: The most recent report and scheme particulars can be obtained free of charge from fund managers.

Other explanatory notes are contained in the last column of the FT Managed Funds Service.

§§ Life Assurance and Unit Trust Regulatory Organisation, Centre Point, 103 New Oxford Street, London WC1A 1QH Tel: 071 – 379 – 0444.

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FT MANAGED FUNDS SERVICE

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Century Life Plc – Contd.

Pension Funds	Bid Price	Offer Price	+ or −	Yield Gross
Managed Capital	66.5	70.0	-0.8	-
Managed Accum	96.6	101.7	-1.1	-
Property Capital	67.0	70.5	-0.5	-
Property Accum	97.2	102.4	-0.6	-
Equity Capital	96.3	101.4	-1.3	-
Equity Accum	140.0	147.3	-1.9	-
Intl Capital	61.1	64.3	-0.9	-
Intl Accum	88.7	93.4	-1.2	-
Fxd Int Capital	121.3	127.7	-0.5	-
Fxd Int Accum	176.1	185.4	-0.5	-
Deposit Capital	122.4	128.9	+0.1	-
Deposit Accum	177.9	187.3	+0.2	-
Langham Harvest	266.6	280.6		-

Citibank Life

Perrymount Road, Haywards Heath 0444 414111

Equitable Life Assurance Society

Walton St, Aylesbury Bucks HP21 7QW 0296 393100

	Bid Price	Offer Price	+ or −	Yield Gross
European	115.4	121.5	-1.4	-
Far Eastern	273.1	287.5	-3.5	-
Fd of Inv Tsts	215.8	227.2	-2.5	-
Gilt & Fixed Int	177.9	187.3	-0.6	-
High Income	244.0	256.8	-4.0	-
Intnl Growth	136.3	143.5	-3.1	-
Managed	174.6	183.8	-2.4	-
Money	165.7	174.4		-
North American	156.6	164.8	-6.4	-
Pelican	199.8	210.3	-3.5	-
Property	173.4	182.5	+0.2	-
Smaller Companies	112.2	118.1	-0.7	-
Special Sits	163.1	171.7	-2.8	-

Henderson Administration(z)

071-638 5757

Life Association of Scotland

113 Dundas St, Edinburgh EH3 5EB 031-550 5000

LAS Investment Assurance	Bid Price	Offer Price	+ or −	Yield Gross
Managed Fund	246.9	259.9	-2.9	-
UK Equity	414.6	436.5	-5.9	-
Property	279.3	294.0		-
Money Market	232.3	244.6	+0.1	-
Fixed Interest	270.6	284.9	-0.6	-
Japan	217.7	229.2	+0.6	-
North America	113.3	119.3	-2.5	-
International	191.3	201.4	-2.8	-
European	184.2	193.9	-1.1	-
Far East	72.5	76.4	-0.8	-

NEL Britannia Assce Co Ltd – Contd.

INSURANCES

OTHER UK UNIT TRUSTS

Continued on next page

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OFFSHORE INSURANCES

MANAGEMENT SERVICES

CANADA (SIB RECOGNISED)

GUERNSEY (SIB RECOGNISED)

GUERNSEY (REGULATED)

IRELAND (SIB RECOGNISED)

IRELAND (REGULATED)

ISLE OF MAN (SIB RECOGNISED)

OFFSHORE AND OVERSEAS

BERMUDA (SIB RECOGNISED)

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ISLE OF MAN (REGULATED)

JERSEY (SIB RECOGNISED)

JERSEY (REGULATED)

LUXEMBOURG (SIB RECOGNISED)

LUXEMBOURG (REGULATED)

SWITZERLAND (SIB RECOGNISED)

OTHER OFFSHORE FUNDS

CURRENCIES, MONEY AND CAPITAL MARKETS

FOREIGN EXCHANGES

Dollar defies more intervention

THE DOLLAR fell below DM1.40 against the D-Mark in European trading yesterday, in spite of concerted central bank intervention in both European and North American trading, *writes James Blitz.*

There was no firm underpinning to the US currency at the end of an intense day of trading on the foreign exchange markets. Fifteen central banks carried out five rounds of intervention in roughly the same volumes that have been seen in recent weeks. But the dollar fell victim to heavy selling, even though it had lost more than 7 pfennigs in a week.

By the European close, the dollar was at DM1.4035, more than 3 pfennigs down on the day. A measure of its weakness was that sterling rose above the $2 level against the US currency for the first time since February 1991, in spite of the pound's intrinsic weakness. Sterling finished at $1.9945, up nearly 5 cents. In New York the dollar ended at DM1.4015 and the pound was at $1.9940.

Dealers had different views as to where the dollar/D-Mark rate is heading now. Mr Aki Karayannis, a senior dealer at Lehman Bros in London, thinks the selling has been overdone and the currency will bottom out soon. "It is a mistake to get caught up with the selling now," he said.

Some dealers said the dollar could easily test lower levels in forthcoming days. Mr David Kern, chief economist at NatWest Bank, commented: "Short of changing interest rates, there is little the central banks can now do to help the dollar."

European central banks and the US Federal Reserve started to intervene in the London morning yesterday, buying dollars at DM1.4215, but that level could not be held.

One reason for the lack of success is that they were intervening in very small volumes of around $1bn a day. By contrast, the spot desk in dollar/D-Mark business at a large London bank might expect to see a $3bn turnover each day.

Mr Avinash Persaud, chief currency economist at UBS Phillips & Drew in London, suggested that the central banks believe they cannot really turn the dollar, and are only making a token gesture. "Central banks will want to ensure that there is an orderly fall that does not excessively disrupt world stock markets."

In the European Monetary System, sterling and the Italian lira remained under intense pressure, but looked at times as though they might have decoupled themselves from the dollar's fall.

The pound closed firmer on the day at DM2.80, even though the Bank of England did not support sterling through intervention or an interest rate rise. The lira ended in London at L762.1, holding close to a record low against the D-Mark. In later New York trading, it was touching L764, dangerously near its L765 ERM floor.

£ IN NEW YORK

Aug 24	Close	Previous Close
£ Spot	1.9935-1.9945	1.9545-1.9555
1 month	1.27-1.25pm	1.12-1.10pm
3 months	3.57-3.54pm	3.34-3.31pm
12 months	12.80-12.70	12.32-12.22

Forward premiums and discounts apply to the US dollar

STERLING INDEX

	Aug 24	Previous
8.30 am	92.2	91.8
9.00 am	92.1	91.8
10.00 am	92.1	91.8
11.00 am	92.1	91.8
Noon	92.1	91.8
1.00 pm	92.1	91.8
2.00 pm	92.1	91.7
3.00 pm	92.3	91.7
4.00 pm	92.4	91.7

CURRENCY RATES

Aug 24	Bank § rate %	Special * Drawing Rights	European † Currency Unit
Sterling	–	0.751787	0.724833
U.S Dollar	3.00	1.45546	1.42720
Canadian $	5.50	1.73534	1.69736
Austrian Sch	7.50	14.8340	14.2948
Belgian Franc	8.50	43.5401	41.8454
Danish Krone	9.50	8.16004	7.84673
D-Mark	8.75	2.11173	2.03090
Dutch Guilder	8.50	2.37953	2.28951
French Franc	10¼	7.16596	6.90478
Italian Lira	13.75	1607.24	1547.51
Japanese Yen	3.25	183.825	178.756
Norway Krone	–	8.34488	8.02727
Spanish Peseta	–	135.934	130.972
Swedish Krona	10.00	7.70666	7.41357
Swiss Franc	7.00	1.87390	1.79755
Greek Drach	19	N/A	251.786
Irish Punt	–	N/A	0.765212

§ Bank rate refers to central bank discount rates. These are not quoted by the UK, Spain and Ireland. † European Commission Calculations. * All SDR rates are for Aug.21

CURRENCY MOVEMENTS

Aug 24	Bank of England Index	Morgan** Guaranty Changes %
Sterling	92.4	–19.3
U.S Dollar	58.5	–20.3
Canadian Dollar	97.7	–3.2
Austrian Schilling	112.2	+13.3
Belgian Franc	114.4	–0.4
Danish Krone	112.3	+5.5
D-Mark	122.9	+27.8
Swiss Franc	112.3	+19.5
Dutch Guilder	117.5	+18.1
French Franc	106.5	–10.6
Lira	100.3	–19.4
Yen	136.8	+73.7
Peseta	108.7	–18.1

Morgan Guaranty changes: average 1980-1982=100. Bank of England Index (Base Average 1985=100). **Rates are for Aug.21

OTHER CURRENCIES

Aug 24	£	$
Argentina	1.9575 - 1.9605	0.9900 - 0.9910
Australia	2.7870 - 2.7890	1.4025 - 1.4035
Brazil	9580.00 - 9585.25	4844.50 - 4844.70
Finland	7.7075 - 7.7510	3.8720 - 3.8750
Greece	344.550 - 350.050	174.710 - 177.510
Hong Kong	15.3770 - 15.3905	7.7300 - 7.7310
Iran	2800.00*	1430.00*
Korea(Sth)	1544.65 - 1569.55	787.70 - 793.90
Kuwait	0.57850 - 0.57895	0.29215 - 0.29245
Luxembourg	57.75 - 57.85	28.95 - 29.05
Malaysia	4.9485 - 4.9610	2.4900 - 2.4910
Mexico	5932.50 - 5945.40	3084.00 - 3085.00
N Zealand	3.6925 - 3.6975	1.8560 - 1.8585
Saudi Ar	7.3495 - 7.4265	3.7495 - 3.7505
Singapore	3.1855 - 3.1910	1.6015 - 1.6025
S.Af (Cm)	5.4895 - 5.5025	2.7680 - 2.7700
S.Af (Fn)	7.3960 - 7.4375	3.7175 - 3.7385
Taiwan	49.85 - 50.05	25.05 - 25.15
U.A.E.	7.1960 - 7.2735	3.6715 - 3.6735

*Floating rate. Iran Official rate £121.20 $63.00

EMS EUROPEAN CURRENCY UNIT RATES

	Ecu Central Rates	Currency Amounts Against Ecu Aug 24	% Change from Central Rate	% Spread vs Weakest Currency	Divergence Indicator
Spanish Peseta	133.631	130.972	–1.99	6.12	33
D-Mark	2.05586	2.03090	–1.21	5.29	48
Belgian Franc	42.4032	41.8454	–1.32	5.39	41
Dutch Guilder	2.31643	2.28951	–1.16	5.23	34
Portuguese Escudo	178.735	178.185	–0.31	4.33	3
Irish Punt	0.767417	0.765212	–0.29	4.31	–8
Danish Krone	7.84195	7.84673	0.06	3.94	–24
French Franc	6.89509	6.90478	0.14	3.86	–33
Italian Lira	1538.24	1547.51	0.60	3.38	–52
Sterling	0.696904	0.724833	4.01	0.00	–78

Ecu central rates set by the European Commission. Currencies are in descending relative strength. Percentage changes are for Ecu; a positive change denotes a weak currency. Divergence shows the ratio between two spreads: the percentage difference between the actual market and Ecu central rates for a currency, and the maximum permitted percentage deviation of the currency's market rate from its Ecu central rate.
Adjustment calculated by Financial Times.

POUND SPOT - FORWARD AGAINST THE POUND

Aug 24	Day's spread	Close	One month	% p.a.	Three months	% p.a.
US	1.9675 - 2.0010	1.9940 - 1.9950	1.25-1.23cpm	7.46	3.57-3.54pm	7.13
Canada	2.3450 - 2.3720	2.3705 - 2.3715	1.16-1.08cpm	5.67	3.37-3.25pm	5.58
Netherlands	3.1500 - 3.1610	3.1500 - 3.1600	⅛-parcpm	0.24	½-¼pm	0.48
Belgium	57.50 - 57.85	57.75 - 57.85	5-parcpm	0.52	11-6pm	0.59
Denmark	10.8090 - 10.8650	10.8200 - 10.8300	⅜-1⅛oredis	–1.25	2⅛-3⅛dis	–1.04
Ireland	1.0530 - 1.0615	1.0560 - 1.0570	0.03-parcpm	0.17	0.07-0.01pm	0.15
Germany	2.7930 - 2.8045	2.7975 - 2.8025	⅛-parpfpm	0.27	⅜-¼pm	0.45
Portugal	245.15 - 247.85	245.75 - 246.25	37-125cdis	–3.95	110-315dis	–3.46
Spain	180.30 - 181.10	180.55 - 180.85	45-53cdis	–3.25	130-143dis	–3.02
Italy	2129.60 - 2136.20	2133.50 - 2134.50	10-12liredis	–6.19	27-30dis	–5.34
Norway	11.0670 - 11.1150	11.1000 - 11.1100	1⅛-2oredis	–1.69	1⅝-3⅛dis	–0.86
France	9.5070 - 9.5450	9.5275 - 9.5375	⅛-⅜cdis	–0.24	⅛-⅜dis	–0.10
Sweden	10.2150 - 10.2660	10.2325 - 10.2425	2⅝-3⅛oredis	–3.44	7⅛-8⅛dis	–3.00
Japan	246.80 - 249.00	248.00 - 249.00	1⅛-1⅛ypm	6.64	4⅛-4pm	6.64
Austria	19.63 - 19.76	19.69 - 19.72	2⅛-1⅝gropm	1.18	4⅝-4pm	0.88
Switzerland	2.4700 - 2.4915	2.4700 - 2.4800	⅝-½cpm	2.73	1½-1⅛pm	2.22
Ecu	1.3810 - 1.3850	1.3815 - 1.3825	0.05-0.10cdis	–0.65	0.15-0.20dis	–0.51

Commercial rates taken towards the end of London trading. Six-month forward dollar 6.87-6.82pm. 12 Month 12.80-12.70pm.

DOLLAR SPOT - FORWARD AGAINST THE DOLLAR

Aug 24	Day's spread	Close	One month	% p.a.	Three months	% p.a.
UK†	1.9675 - 2.0010	1.9940 - 1.9950	1.25-1.23cpm	7.46	3.57-3.54pm	7.13
Ireland†	1.8615 - 1.8935	1.8855 - 1.8865	1.23-1.20cpm	7.73	3.45-3.38pm	7.24
Canada	1.1880 - 1.1910	1.1900 - 1.1910	0.17-0.19cdis	–1.81	0.45-0.49dis	–1.58
Netherlands	1.5785 - 1.6070	1.5815 - 1.5825	0.90-0.93cdis	–6.94	2.68-2.73dis	–6.84
Belgium	28.85 - 29.35	28.95 - 29.05	16.50-17.50cdis	–7.03	46.00-49.00dis	–6.55
Denmark	5.4250 - 5.5010	5.4250 - 5.4300	3.90-4.20oredis	–8.95	11.15-11.75dis	–8.44
Germany	1.3985 - 1.4260	1.4030 - 1.4040	0.83-0.84pfdis	–7.14	2.33-2.35dis	–6.67
Portugal	124.70 - 124.95	124.70 - 124.80	118-128cdis	–11.83	320-340dis	–10.58
Spain	90.35 - 91.90	90.75 - 90.85	81-84cdis	–10.90	233-239dis	–10.40
Italy	1066.50 - 1085.40	1069.75 - 1070.25	12.00-13.00liredis	–14.02	33.20-35.20dis	–12.79
Norway	5.5610 - 5.6340	5.5650 - 5.5700	4.30-4.60oredis	–9.59	11.40-11.90dis	–8.37
France	4.7650 - 4.8440	4.7775 - 4.7825	3.01-3.06cdis	–7.62	8.66-8.73dis	–7.28
Sweden	5.1090 - 5.2055	5.1300 - 5.1350	4.68-4.93oredis	–11.23	13.25-13.70dis	–10.50
Japan	124.30 - 125.35	124.55 - 124.65	0.06-0.07ydis	–0.63	0.10-0.11dis	–0.34
Austria	10.0000 - 10.0100	10.0000 - 10.0050	5.65-6.00grodis	–6.99	15.80-16.80dis	–6.52
Switzerland	1.2400 - 1.2660	1.2410 - 1.2420	0.52-0.54cdis	–5.12	1.48-1.51dis	–4.82
Ecu	1.4235 - 1.4465	1.4420 - 1.4430	0.99-0.97cpm	8.15	2.74-2.70pm	7.54

Commercial rates taken towards the end of London trading. † UK, Ireland and ECU are quoted in US currency. Forward premiums and discounts apply to the US dollar and not to the individual currency.

EURO-CURRENCY INTEREST RATES

Aug 24	Short term	7 Days notice	One Month	Three Months	Six Months	One Year
Sterling	10 - 9¾	10 - 9¾	10½ - 10⅜	10¾ - 10⅝	10 13/16 - 10 11/16	10 13/16 - 10 11/16
US Dollar	3 3/16 - 3 1/16	3⅛ - 3¼	3⅜ - 3¼	3¼ - 3⅛	3⅜ - 3¼	3 11/16 - 3 9/16
Can. Dollar	5 3/16 - 4⅞	5⅛ - 4⅝	4⅞ - 4¾	4⅞ - 4¾	4 11/16 - 4½	4⅞ - 4¾
Dutch Guilder	9⅞ - 9¾	9 13/16 - 9⅝	9 13/16 - 9 11/16	9 13/16 - 9 11/16	9⅞ - 9¾	9⅞ - 9¾
Swiss Franc	8 - 7¾	8 - 7⅜	7⅞ - 7⅝	8 - 7⅞	8⅛ - 7⅞	8⅛ - 7⅞
D-Mark	9 13/16 - 9 11/16	9 13/16 - 9 11/16	9 13/16 - 9 11/16	9¾ - 9⅝	9⅞ - 9¾	9 13/16 - 9 11/16
French Franc	10⅛ - 10	10⅛ - 10	10⅜ - 10⅛	10⅝ - 10½	10¾ - 10⅝	10⅞ - 10¾
Italian Lira	15 - 13	16⅛ - 15⅛	16⅛ - 15⅝	15⅞ - 15⅜	15⅞ - 15⅝	16 - 15½
Belgian Franc	9 13/16 - 9 11/16	9 13/16 - 9 11/16	9 13/16 - 9 11/16	9¾ - 9⅝	9¾ - 9⅝	9¾ - 9⅝
Yen	4⅛ - 4 1/16	4 3/16 - 4⅛	4 3/16 - 4⅛	3⅞ - 3 13/16	3 13/16 - 3¾	3¾ - 3⅝
Danish Krone	10½ - 10	10½ - 10	11½ - 11¼	11½ - 11¼	11¼ - 11	11⅛ - 10⅞
Asian $Sing.	2 3/16 - 2 1/16	2 3/16 - 2 1/16	2⅜ - 2¼	2⅜ - 2 3/16	2⅝ - 2½	3⅛ - 3
Spanish Peseta	13 - 10	13 - 10	13⅜ - 12⅜	14 - 13	14⅜ - 13⅜	14½ - 13½

Long term Eurodollars: two years 4⅜-4¼ per cent, three years 5-4⅞ per cent; four years 5½-5⅜ per cent; five years 5¾-5⅝ per cent nominal. Short term rates are call for US Dollars and Japanese Yen; others, two days' notice.

EXCHANGE CROSS RATES

Aug.24	£	$	DM	Yen	F Fr.	S Fr.	N Fl.	Lira	C$	B Fr.	Pta.	Ecu
£	1	1.995	2.800	248.5	9.533	2.475	3.155	2134.	2.371	57.80	180.7	1.382
$	0.501	1	1.404	124.6	4.778	1.241	1.581	1070	1.188	28.97	90.58	0.693
DM	0.357	0.713	1	88.75	3.405	0.884	1.127	762.1	0.847	20.64	64.54	0.494
YEN	4.024	8.028	11.27	1000.	38.36		12.70	8588	9.541	232.6	727.2	5.561
F Fr.	1.049	2.093	2.937	260.7	10.	2.596	3.310	2239	2.487	60.63	189.6	1.450
S Fr.	0.404	0.806	1.131	100.4	3.852	1	1.275	862.2	0.958	23.35	73.01	0.558
N Fl.	0.317	0.632	0.887	78.76	3.022	0.784	1	676.4	0.752	18.32	57.27	0.438
Lira	0.469	0.935	1.312	116.4	4.467	1.160	1.478	1000.	1.111	27.09	84.68	0.648
C$	0.422	0.841	1.181	104.8	4.021	1.044	1.331	900.0	1	24.38	76.21	0.583
B Fr.	1.730	3.452	4.844	429.9	16.49	4.282	5.458	3692	4.102	100	312.6	2.391
Pta	0.553	1.104	1.550	137.5	5.276	1.370	1.746	1181	1.312	31.99	100.	0.765
Ecu	0.724	1.444	2.026	179.8	6.898	1.791	2.283	1544	1.716	41.82	130.8	1.

Yen per 1,000: French Fr. per 10: Lira per 1,000: Belgian Fr. per 100: Peseta per 100

FINANCIAL FUTURES AND OPTIONS

LIFFE LONG GILT FUTURES OPTIONS £50,000 64ths of 100%

Strike Price	Calls-settlements Dec	Calls-settlements Mar	Puts-settlements Dec	Puts-settlements MAR
93	3-62	4-36	0-34	0-48
94	3-11	3-54	0-47	1-02
95	2-29	3-12	1-01	1-24
96	1-53	2-38	1-25	1-50
97	1-20	2-05	1-56	2-17
98	0-59	1-41	2-31	2-53
99	0-40	1-18	3-12	3-30
100	0-27	0-62	3-63	4-10

Estimated volume total, Calls 1070 Puts 1373
Previous day's open int. Calls 14233 Puts 14393

LIFFE US TREASURY BOND FUTURES OPTIONS $100,000 64ths of 100%

Strike Price	Calls-settlements Dec	Calls-settlements Mar	Puts-settlements Dec	Puts-settlements MAR
100	4-38	4-11	0-50	1-27
101	3-54	3-35	1-02	1-51
102	3-11	2-63	1-23	2-15
103	2-36	2-31	1-48	2-47
104	1-64	2-02	2-02	3-18
105	1-25	1-42	2-37	3-58
106	1-03	1-21	3-15	4-37
107	0-50	1-03	3-62	5-19

Estimated volume total, Calls 150 Puts 0
Previous day's open int. Calls 270 Puts 117

LIFFE BUND FUTURES OPTIONS DM250,000 points of 100%

Strike Price	Calls-settlements Dec	Calls-settlements Mar	Puts-settlements Dec	Puts-settlements MAR
8700	1.89	2.24	0.16	0.26
8750	1.48	1.86	0.25	0.38
8800	1.12	1.51	0.39	0.53
8850	0.81	1.21	0.58	0.73
8900	0.57	0.94	0.84	0.96
8950	0.39	0.72	1.16	1.24
9000	0.26	0.53	1.53	1.55
9050	0.17	0.38	1.94	1.90

Estimated volume total, Calls 5562 Puts 3841
Previous day's open int. Calls 80056 Puts 40547

LIFFE EUROMARK OPTIONS DM1m points of 100%

Strike Price	Calls-settlements Sep	Calls-settlements Dec	Puts-settlements Sep	Puts-settlements Dec
8925	0.96	1.13	0	0
8950	0.71	0.89	0	0.01
8975	0.46	0.66	0	0.03
9000	0.23	0.44	0.02	0.06
9025	0.04	0.25	0.08	0.12
9050	0.01	0.14	0.30	0.26
9075	0	0.07	0.54	0.44
9100	0	0.05	0.79	0.67

Estimated volume total, Calls 3524 Puts 3950
Previous day's open int. Calls 144374 Puts 111238

LIFFE ITALIAN GOVT. BOND (BTP) FUTURES OPTIONS Lira 200m 100ths of 100%

Strike Price	Calls-settlements Dec	Calls-settlements Mar	Puts-settlements Dec	Puts-settlements MAR
9150	2.91		1.02	
9200	2.55	3.41	1.16	1.42
9250	2.21	3.10	1.32	1.61
9300	1.89	2.82	1.50	1.83
9350	1.60	2.55	1.71	2.06
9400	1.35	2.30	1.96	2.31
9450	1.12	2.06	2.23	2.57
9500	0.92	1.84	2.53	2.85

Estimated volume total, Calls 715 Puts 138
Previous day's open int. Calls 5826 Puts 4299

LIFFE SHORT STERLING OPTIONS £500,000 points of 100%

Strike Price	Calls-settlements Sep	Calls-settlements Dec	Puts-settlements Sep	Puts-settlements Dec
8825	0.96	1.16	0.01	0.15
8850	0.73	0.95	0.03	0.19
8875	0.51	0.76	0.06	0.25
8900	0.32	0.59	0.12	0.33
8925	0.17	0.44	0.22	0.43
8950	0.07	0.32	0.37	0.56
8975	0.04	0.22	0.59	0.71
9000	0.02	0.15	0.82	0.89

Estimated volume total, Calls 10908 Puts 22965
Previous day's open int. Calls 125557 Puts 94029

LONDON (LIFFE)

9% NOTIONAL BRITISH GILT * £50,000 32nds of 100%

	Close	High	Low	Prev.
Sep	96-07	96-27	96-02	97-08
Dec	96-14	97-01	96-11	97-16

Estimated volume 57296 (29652)
Previous day's open int. 77465 (78322)

US TREASURY BONDS 8% * $100,000 32nds of 100%

	Close	High	Low	Prev.
Sep	105-00	105-24	104-29	106-24
Dec	103-26	[illegible]	[illegible]	105-18

[illegible]

CHICAGO

U.S. TREASURY BONDS (CBT) 8% $100,000 32nds of 100%

	Close	High	Low	Prev.
Sep	104-23	105-26	104-21	105-22
Dec	103-17	104-21	103-15	104-16
Mar	102-14	103-13	102-13	103-12
Jun	101-11	101-22	101-11	102-09
Sep	100-10	100-20	100-10	101-07
Dec	99-11	99-23	99-11	100-06
Mar	-	-	-	99-08
Jun	-	-	-	98-13
Sep	-	-	-	97-21
Dec	-	-	-	97-00

JAPANESE YEN (IMM) Y12.5m $ per Y100

	Latest	High	Low	Prev.
Sep	0.8028	0.8038	0.7970	0.7952
Dec	0.8024	0.8034	0.7975	0.7945
Mar	0.8031	0.8029	0.7978	0.7949

DEUTSCHE MARK (IMM) DM125,000 $ per DM

[illegible]

PARIS

[illegible]

OPTION ON LONG-TERM FRENCH BOND (MATIF)

Strike	Calls September	Calls December	Calls March	Puts September	Puts December	Puts March
104	-	-	2.68	0.06	0.87	-
105	0.27	1.62	-	0.28	1.28	-
106	0.03	1.09	-	1.06	1.70	-
107	-	0.71	1.12	-	-	-
108	-	0.42	-	-	-	-
Open Int.	155,431	236,916	30,135	111,115	114,127	22,350

Estimated volume 55,566 † Total Open Interest 670,074
† All Yield & Open interest figures are for the previous day.

* Contracts traded on APT. Closing prices shown.

POUND - DOLLAR

FT FOREIGN EXCHANGE RATES

Spot	1-mth.	3-mth.	6-mth.	12-mth.
1.9945	1.9821	1.9589	1.9260	1.8670

MONEY MARKETS

Futures collapse

PRICES IN the sterling cash and futures markets virtually discounted a 1 percentage-point rise in UK base rates yesterday, but the Bank of England did not sway under calls for a tightening of monetary policy.

Pressure on both the US dollar and the pound triggered intense activity in both the futures and cash markets. The September contract lost 35 basis points from its previous close, finishing at 89.20. The December contract fell 26 basis points to close at 89.26. Theoretically, the September price suggests that three-month money will be at 10.8 per cent in one month's time. Total volume for the contracts was high, at nearly 73,000 lots combined.

UK clearing bank base lending rate 10 per cent from May 5, 1992

The rise in sterling cash rates was slowed in the morning by concerted central bank intervention on the foreign exchanges. However, the new expense of money was clear by the day's end. Everything from three-month money out to one-year was offered at 10 13/16 per cent, up from 10½ per cent on Friday night.

According to one clearing bank dealer, the rise in one-month money to 10 5/16 per cent on the offered side may prove to be the most imporant rate change of the day. He argued that if this stays at the same level, clearing banks will put the Bank of England under pressure to signal a base rate change.

The Bank of England left its shorter dated dealing rates unchanged at 9⅞ per cent, and took out most of the £2.1bn shortage using a repurchase agreement (repo) at the established rate of 9 15/16 per cent.

However, there was a slight tightening of rates in Bands 3 and 4. These were moved up to spreads of 9¾ per cent to 9⅞ per cent in Band 3, and 9 13/16 per cent to 9⅞ per cent in Band 4. Dealers interpreted the change as a purely technical move. They believe that the Bank routinely matches changes in period rates.

One dealer said it would be perfectly possible for a discount house to make a turn by borrowing money at the newly raised rates in Bands 3 and 4, and lending it out at the new costs for 3-month money.

In the morning, the Bank purchased £2m in Band 1 Bank bills, £257m in Band 2, £3m in Band 3, £163m in Band 4 and £1.2bn in the "repo". The forecast was revised to £2bn and there was late assistance of £30m.

FT LONDON INTERBANK FIXING

(11.00 a.m. Aug.24) 3 months US dollars		6 months US Dollars	
bid 3 5/16	offer 3 7/16	bid 3⅜	offer 3½

The fixing rates are the arithmetic means rounded to the nearest one-sixteenth, of the bid and offered rates for $10m quoted to the market by five reference banks at 11.00 a.m. each working day. The banks are National Westminster Bank, Bank of Tokyo, Deutsche Bank, Banque National de Paris and Morgan Guaranty Trust.

MONEY RATES

NEW YORK — Treasury Bills and Bonds

4 pm

Prime rate	6	One month	2.97	Three year	4.80
Broker loan rate	5⅛	Two month	3.16	Five year	5.70
Fed.funds	3⅜	Three month	3.22	Seven year	6.24
Fed funds at intervention	3⅛	Six month	3.36	10-year	6.69
		One year	3.57	30-year	7.44
		Two year	4.23		

Aug 24	Overnight	One Month	Two Months	Three Months	Six Months	Lombard Intervention
Frankfurt	9.65-9.75	9.75-9.85	9.75-9.85	9.80-9.90	9.80-9.90	9.75
Paris	9 13/16-10 1/16	10⅛-10⅜	10¼-10⅜	10⅛-10¼	10⅛-10¼	9.60
Zurich	7¾-7⅝	7¾-7⅝	-	7⅞-8⅛	-	-
Amsterdam	-	-	-	-	-	-
Tokyo	4 1/16-4¼	4 3/16-4⅛	-	-	-	-
Milan	15 7/16-15⅛	16 3/16-16⅛	-	15 13/16-16 1/16	-	-
Brussels	9 13/16-9 11/16	9 13/16-9 11/16	-	9⅞-9⅝	-	-
Dublin	10¼-10⅛	10½-10⅝	10 5/16-10 11/16	10 5/16-10 11/16	10⅝-10¼	-

LONDON MONEY RATES

Aug 24	Overnight	7 days notice	One Month	Three Months	Six Months	One Year
Interbank Offer	10½	10⅛	10⅜	10 11/16	10¾	10⅞
Interbank Bid	8¼	9⅞	10⅜	10⅝	10⅝	10⅝
Sterling CDs	-	-	10¼	10⅝	10½	10½
Local Authority Deps.	9⅞	9⅞	10¼	10⅝	10⅝	10⅝
Local Authority Bonds	-	-	-	-	-	-
Discount Mkt Deps	10	9⅞	-	-	-	-
Company Deposits	-	-	-	-	-	-
Finance House Deposits	-	-	10 5/16	10¾	10 13/16	10 13/16
Treasury Bills (Buy)	-	-	10	10	10	-
Bank Bills (Buy)	-	-	10⅛	10 3/16	10 3/16	-
Fine Trade Bills (Buy)	-	-	-	-	-	-
Dollar CDs	-	-	3.33	3.35	3.39	3.49
SDR Linked Dep. Offer	-	-	6¼	6⅜	6¼	6⅜
SDR Linked Dep. Bid	-	-	5 13/16	6 3/16	6⅛	6 3/16
ECU Linked Dep. Offer	-	-	11	11⅛	11⅛	11
ECU Linked Dep. Bid	-	-	10 13/16	10⅞	10⅞	10 13/16

Treasury Bills (sell); one-month 9⅞ per cent; three months 9⅞ per cent, six months 9⅞ per cent; Bank Bills (sell): one-month 10 per cent; three months 10 3/16 per cent; Treasury Bills; Average tender rate of discount 9.6875 p.c. ECGD Fixed Rate Sterling Export Finance. Make up day July 31, 1992. Agreed rates for period August 26, 1992 to September 22, 1992, Scheme I: 11.27 p.c. Schemes II & III: 11.46 p.c. Reference rate for period July 1, 1992 to July 31, 1992, Scheme IV&V: 10.188 p.c. Local Authority and Finance Houses seven days' notice, others seven days' fixed. Finance Houses Base Rate 10½ from August 1, 1992; Bank Deposit Rates for sums at seven days notice 4 per cent. Certificates of Tax Deposit (Series 6); Deposit £100,000 and over held under one month 6½ per cent; one-three months 9 per cent; three-six months 9 per cent, six-nine months 8½ per cent; nine-twelve months 8½ per cent; Under £100,000 7 per cent from May 6, 1992. Deposits withdrawn for cash 5 per cent.

BASE LENDING RATES

	%		%		%
Adam & Company	10	Credit Lyonnais	10	McDonnell Douglas Bnk	10
Allied Trust Bank	10	Cyprus Popular Bk	10	Midland Bank	10
AIB Bank	10	Dao Heng Bank Plc	11	Mount Banking	10
● Henry Ansbacher	10	Duncan Lawrie	10	NatWestminster	10
B & C Merchant Bank	10.5	Equatorial Bank plc	10	Northern Bank Ltd	10
Bank of Baroda	10	Exeter Bank Limited	10.5	Nykredit Mortgage Bank	10.5
Banco Bilbao Vizcaya	10	Financial & Gen. Bank	10	Provincial Bank PLC	14
Bank of Cyprus	10	● Robert Fleming & Co.	10	● Rea Brothers	10
Bank of Ireland	10	Robert Fraser & Ptnrs.	10.5	Roxburghe Bank Ltd.	11
Bank of India	10	Girobank	10	Royal Bk of Scotland	10
Bank of Scotland	10	● Guinness Mahon	10	● Smith & Williamson Secs.	10
Banque Belge Ltd	10	Habib Bank AG Zurich	10	Standard Chartered	10
Barclays Bank	10	● Hambros Bank	10	TSB	10
Brit Bk of Mid East	10	Hampshire Trust Plc	13.5	Unibank plc	10
● Brown Shipley	10	Heritable & Gen Inv Bnk.	10	● United Bk of Kuwait	10
CL Bank Nederland	10	● Hill Samuel	10	Unity Trust Bank Plc	10
Citibank NA	10	C. Hoare & Co.	10	Western Trust	10
City Merchants Bank	10	Hongkong & Shanghai	10	Whiteaway Laidlaw	10
Clydesdale Bank	10	Julian Hodge Bank	10	Yorkshire Bank	10
Co-operative Bank	10	● Leopold Joseph & Sons	10		
Coutts & Co.	10	Lloyds Bank	10		
		Meghraj Bank Ltd	10		

● Members of British Merchant Banking & Securities Houses Association.

LEGAL NOTICES

006588 of 1992. In the High Court of Justice, Chancery Division, Mr Justice Mummery
IN THE MATTER OF BAeSEMA LIMITED
AND
IN THE MATTER OF THE COMPANIES ACT 1985

NOTICE IS HEREBY GIVEN, that the Order of the High Court of Justice, Chancery Division dated 27th July 1992 confirming the reduction of the Share Premium Account of the Company from £23,766,296.86 to £3,125,481.92 was registered by the Registrar of Companies on the 4th August 1992.

Dated the 21st day of August 1992
Nabarro Nathanson, 50 Stratton Street, London W1X 5FL
Solicitor for the said Company

COMPANY NOTICES

TORAY INDUSTRIES, INC.
(formerly Toyo Rayon Kabushiki Kaisha)

United Kingdom shareholders are advised that copies of the Annual Report for the year ended 31st March, 1992 are now available from:-

S.G. Warburg & Co. Ltd.
Paying Agency,
2 Finsbury Avenue,
London EC2M 2PA

PERSONAL

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MONEY MARKET FUNDS

Money Market Trust Funds

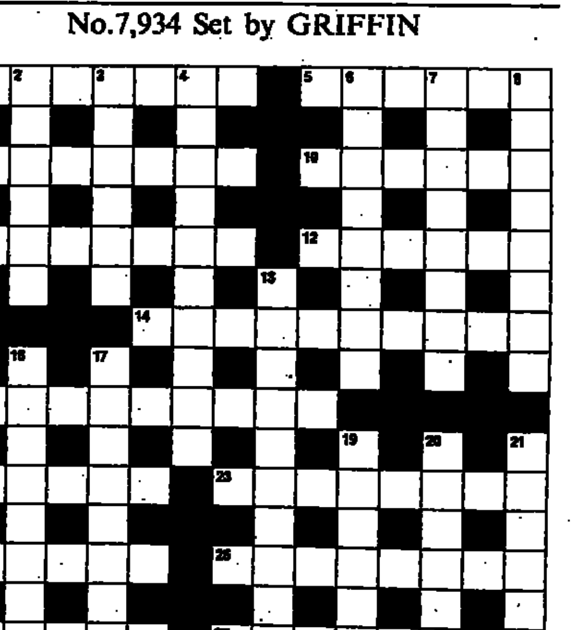
[illegible]

Money Market Bank Accounts

[illegible]

CROSSWORD

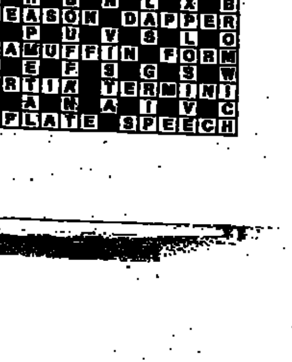
No.7,934 Set by GRIFFIN



ACROSS
1 NCO rejected work in cattle enclosure (8)
5 Insult by leaving tip (6)
9 Said to defeat grub on plant (8)
10 Maestro picnicked in very hot area (6)
11 Miners are backing Lawrence, clever with figures (8)
12 Alan forced copper into gap (6)
14 Figure rug, once turned round, will be perfect (10)
18 Vulgar man in established newspaper (10)
22 Bury doctor's after a sick note (6)
23 Sweetheart to ape cad's foolish prank (8)
24 Empty tin into tank (6)
25 Needing decoration externally so allowed to become antiquated (8)
26 Oppose rises negotiated last night (6)
27 One writing numbers on hills (8)

DOWN
1 Accountant scraps accommodation (6)
2 Where I inserted her new manuscript (6)
3 Working model made silly error and said why (6)
4 One's omitted to put it in writing (10)
6 Weapons a man stands inside sacks (8)
7 Support for Poles scattered around America (8)
8 Journalist returned and stopped late (8)
13 Seeming worried, be so silent (10)
15 One watching outside broadcast with waiter? (8)
16 Gets in touch with people exposed to contagion (8)
17 Strange chaps going to back street scraps (8)
19 Blessing Jack for standing in front of monkey (6)
20 Against entering a rent-free inn (6)
21 Engineers in punts needing caps (6)

Solution to Puzzle No.7,933



WORLD STOCK MARKETS

CANADA

TORONTO

4 pm close August 24

INDICES

NEW YORK

DOW JONES	Aug 24	Aug 21	Aug 20	Aug 19	1992 HIGH	1992 LOW	Since compilation HIGH	Since compilation LOW
♦Industrials	3228.17	3254.1	3304.89	3307.06	3413.21 (1/6)	3172.41 (2/1)	3413.21 (1/6/92)	41.22 (2/7/32)
Home Bonds	102.27	102.46	102.42	102.35	102.47 (18/8)	98.41 (20/3)	102.47 (18/8/92)	54.99 (1/10/81)
Transport	1217.81	1237.55	1256.52	1258.05	1467.68 (20/2)	1217.81 (24/8)	1532.01 (5/9/89)	12.32 (8/7/32)
Utilities	218.52	220.77	220.14	220.21	225.59 (3/1)	200.74 (8/4)	236.23 (2/1/90)	10.50 (8/4/32)

♦Day's High 3258.43 (3330.29) Low 3207.10 (3243.5...)

STANDARD AND POOR'S

	Aug 24	Aug 21	Aug 20	Aug 19	1992 HIGH	1992 LOW	Since compilation HIGH	Since compilation LOW
Composite ‡	410.72	414.85	418.26	418.19	425.09 (3/8)	394.50 (8/4)	425.09 (3/8/92)	4.40 (1/6/32)
Industrials	482.29	486.45	491.26	491.38	499.51 (3/8)	470.91 (8/4)	499.51 (3/8/92)	3.62 (21/6/32)
Financial	34.65	35.33	35.46	35.45	36.66 (3/8)	32.40 (8/4)	36.66 (3/8/92)	8.64 (1/10/74)
NYSE Composite	226.34	228.61	230.38	230.41	233.66 (3/8)	217.92 (8/4)	233.66 (3/8/92)	4.46 (25/4/42)
Amex Mkt Value	380.90	384.31	385.87	385.89	418.99 (12/2)	374.04 (26/6)	418.99 (12/2/92)	29.31 (9/12/72)
NASDAQ Composite	555.39	563.70	567.86	567.61	644.92 (12/2)	547.84 (26/6)	644.92 (12/2/92)	54.87 (31/10/72)

	Aug 21	Aug 14	Aug 7	year ago (approx.)
Dow Industrial Div Yield	3.17	3.11	3.12	3.01

	Aug 19	Aug 12	Aug 5	year ago (approx.)
S & P Industrial div yield	2.62	2.62	2.59	2.70
S & P Indl. P/E ratio	29.06	29.00	29.34	21.31

NEW YORK ACTIVE STOCKS

TRADING ACTIVITY

CANADA TORONTO

MONTREAL Portfolio	1772.92	1781.83	1793.27	1778.93	1937.59 (16/1)	1727.04 (8/4)

Base values of all indices are 100 except NYSE All Common – 50, Standard and Poor's – 10, and ...0. Toronto indices based 1975 and Montreal Portfolio 4/1/... ‡ Excluding bonds, Industrial, plus Utilities, Financial and Transportation. (c) Closed. (u) Unavailable.

**Saturday August 22: Taiwan Weighted Price 3822.81, Korea Co... ‡ Subject to official recalculation.

Base values of all indices are 100 except: Austria Traded, BEL20, HE... and DAX – 1,000, JSE Gold – 255.7, JSE 26 Industrials – 264.3 an... Closed. (u) Unavailable.

TOKYO - Most Active Stocks

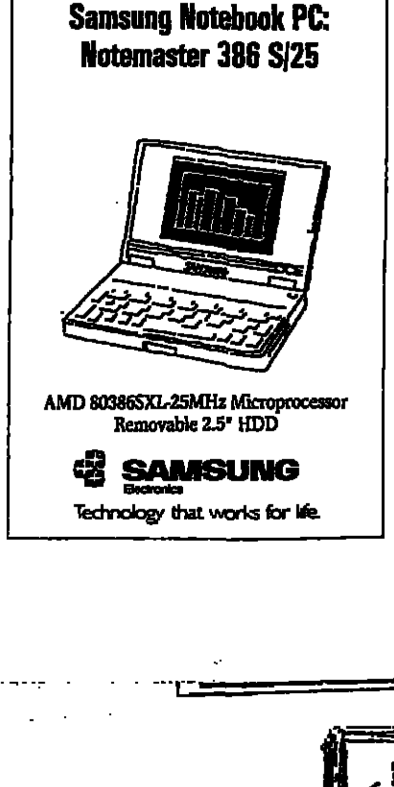
Monday, August 24, 1992

	Stocks Traded	Closing Prices	Change on day		Stocks Traded	Closing Prices	Change on day
Nippon Jutaki	14.8m	401	+80	C Itoh	7.4m	429	+25
Okamoto Inds	12.7m	1,190	+110	Daikyo Kanko	6.6m	820	+60
Meiji Milk Prod	10.1m	895	-14	Npn Steel Corp	5.7m	277	+11
Jpn Mtl & Chem	7.7m	647	+100	Toshiba Corp	5.6m	646	+16
Nomura Sec	7.5m	1,430	+10	Hitachi	5.3m	819	+15

4 pm close August 24

NEW YORK STOCK EXCHANGE COMPOSITE PRICES

1992 High	1992 Low	Stock	Div.	Yld. %	P/E	Sls 100s	High	Low	Close Quote	Ch'ge Prev. Close
15⅞	11⅞	AAR Corp	0.48	3.8	20	65	12⅞	12½	12⅝	+⅛
26	18	A L Labs A	0.18	0.9	73	234	20¼	20⅜	20½	−¼
68¾	52⅞	AMP Inc	1.52	2.9	20	1162	53⅛	52¼	52⅞	−⅝
80¼	56	AMR				206229	56⅞	56¼	56⅞	+½
2⅞	1⅛	ARX			18	19	1⅞	1⅝	1⅝	−⅛
83½	35⅜	ASA x	2.00	5.4	24	461	37⅛	36⅝	36⅞	+⅝
34¼	26⅛	Abbott Lab	0.60	2.0		218614	30⅛	29⅞	30	−⅛
13⅞	12	Abitibi Pr	0.50	4.2	6	56	12	d11⅞	12	−⅛
17⅝	10⅛	ACM Gvt In	1.08	9.7		183	11⅛	11	11⅛	
10⅞	9⅛	ACM GvOpp x	0.92	9.6		60	9⅝	9⅝	9⅝	−⅛
9½	8½	ACM Gvt Sp	0.82	8.7		170	9⅛	9⅛	9⅛	
11¼	10⅛	ACM Gvl Se x	1.08	9.8		223	11	10⅞	11	+1.09
10¼	8⅝	ACM Man x	0.99	9.7		413	u10¼	10⅛	10⅛	
12⅞	10½	ACM Mmgd x	0.99	9.3		143	10¼	10⅛	10⅝	−⅛
11¼	4¼	Acme Cleve	0.40	5.9	13	165	7	6¾	6¾	−⅛
6¼	4⅛	Acme Elect			37	12	4⅞	4⅞	4⅞	
33¼	17⅝	Acuson				111480	17¼	d17⅛	17⅜	−⅛
19½	18⅛	Adams Expr x	0.48	2.5	0	261	19	18¾	19	+⅛
49⅛	29½	Ad Micro	3.00	8.5		86	35¾	35¼	35¼	−⅜
21½	7½	Ad Micro P	3.00	35.3		34267	8⅝	8⅜	8½	−⅛
9⅛	5	Advest Grp	0.16	3.2	71	169	5	d5	5	−⅛
37⅞	33	Aegon ADR	1.68	4.5	7	14	37½	37¼	37½	+⅛
47	38⅜	Aetna Lf	2.76	7.1		103460	39⅛	38⅜	39	−1
12⅞	8⅞	Ahl A x	0.24	2.1	13	636	11½	11¼	11⅜	−⅛
34	24	Aflac x	0.44	1.4	15	830	32	31½	31⅝	−⅞
19⅞	15⅛	Ahmanson	0.88	5.5	7	565	15⅞	15⅝	15⅞	−⅛
22½	5⅞	Alteen Inc			6	63	6⅜	6½	6⅝	
49½	36½	Air Pr Chm	0.88	2.1		172408	42½	40⅞	41	−1¼
29¾	12½	Airbne Frt x	0.30	2.4	24	376	12⅞	d12½	12⅝	−⅛
34¼	22⅝	Airgas Inc			25	84	31⅝	30⅛	30¼	−1⅞
12⅞	8⅛	Airlease	1.68	14.3	9	73	11¾	11½	11¼	+⅛
104	99½	AlaPw8.16	8.16	7.9		z100	u104	104	103	−1
106½	101½	Alab Pw 9P	9.00	8.6		z100	104½	104½	104½	+1½
105	100¼	Alab 8.28C	8.28	8.0		z100	104½	104½	104	−½
11¼	10½	AlaPwDpPf	0.87	8.1		16	10⅞	10¾	10¾	
23⅞	17⅛	Alaska Air	0.20	1.2	9	122	17⅜	17¼	17⅜	
21¼	13⅞	Albany Int	0.35	2.4	56	54	14⅝	14	14⅝	+½
32	21¼	AlCulvr B	0.24	1.0	17	38	23⅞	23⅝	23¾	−⅛
25¼	19⅝	AlCulvr A	0.24	1.1	20	34	22¾	22½	22½	
44⅞	36¼	Albertsons	0.64	1.6		204433	39⅜	39¼	39¼	−⅛
22¼	18⅝	Alcan Alum x	0.30	1.6	47	1767	18⅞	d18½	18⅞	
42⅝	33⅛	Alco Stand x	0.92	2.7	16	704	34½	33¾	34	−⅞
23⅛	15⅜	AlexBrown	0.40	2.5	4	141	16⅛	16	16⅛	+⅛
25¼	18	Alexr Alex	1.00	4.2	98	63	24⅛	23¾	23¾	−⅛
36⅝	27½	Allegh Lud	0.88	2.7	23	116	32¼	31⅝	32⅛	−⅛
48¼	41½	Allegh Pow	3.20	6.7		121331	48⅛	47½	47½	−⅜
31	22⅜	Allen Gp	1.75	6.2		34	28⅛	27¾	28	+¼
30	18⅞	Allen Con	0.20	0.9	14	33	22⅝	22¼	22⅜	−⅛
27¼	20⅜	Allergan x	0.40	1.7	16	259	23⅝	23⅜	23⅝	−¼
39⅛	29½	Allnce Cap	2.40	7.4	12	240	33½	32	32⅝	−⅞
12½	9½	Allnce Gl	0.18	1.9		38	9½	d9¼	9¼	−¼
21¼	18⅛	Ald Irish	0.82	4.2	121	z100	19½	19½	19½	+¼
61¼	40⅞	Alld Sig x	1.00	1.9		443466	52⅞	51½	51½	−1½
11⅛	9⅞	AlstMunTr	0.75	7.0		204	10⅞	10¾	10¾	−⅛
9⅞	9	AlstIncOp	0.72	8.1		696	9⅛	d8⅞	8⅞	−⅛
10½	9¼	AlstMnInc	0.72	7.4		214	9⅞	9¾	9¾	−⅛
10⅛	9½	AlstMnInc	0.80	8.0		30	10	9⅞	10	+⅛
41½	34¼	Alltel Crp	1.48	3.6	17	715	41⅜	41⅛	41¼	−⅛
8⅜	5½	Allwaste			17	193	6	5¾	5¾	−¼
80⅝	61	Alcoa	1.60	2.5		2353862	64½	63½	63⅞	−1⅛
55¼	38⅞	Alza Cp A				663704	46½	45¼	45⅞	−1⅜
11½	10¼	AmGovInc	1.02	9.0		208	u11½	11¼	11⅜	+⅛
8½	6¾	Am Precis	0.22	3.3	14	143	6⅞	d6½	6⅝	−⅛
23⅞	16½	Amax	0.80	4.5		471636	17⅞	17½	17⅝	−¼
12½	8½	Amax Gold x	0.08	0.8	31	262	10⅛	9⅞	9⅞	+¼
½	⅜	Ambase Cp			0	319	½	7/16	7/16	+1/16
25	13⅞	Amcast Ind	0.48	3.4	10	13	14	13¾	14	+¼
49¼	36⅝	Amerada Hs	0.60	1.3		491067	48	47½	47⅞	−⅛
10⅞	10	Am Adj R	0.78	7.5		114	10½	10⅜	10⅜	−⅛
30¼	22⅛	Am Barrick	0.11	0.4		384508	28	28¼	28⅞	+⅜
33½	31⅛	Am Br2.75	2.75	8.6		5	32	32	31⅞	−⅛
49⅞	42¾	Am Brands	1.75	3.8		111778	46½	46⅛	46¼	−⅛
20¼	15¼	Am Bold M	0.50	2.8	12	70	18¼	17¾	18⅛	+⅜
31¼	22¼	Am Bus Prd	0.70	2.6	13	36	27	26⅝	26⅝	−⅜
8½	7⅜	Am Cap Inc x	0.84	10.2		294	8⅜	8¼	8¼	
21¼	18¼	Am Cap Bd	1.68	8.1	36	87	u21¼	20¾	20¾	−⅛
20¼	18½	Am Cap CV	1.24	6.4	0	73	19½	19⅜	19⅜	−¼
66⅜	53	Am Cyanmd	1.65	2.8		141033	59¼	58⅝	58¼	−⅜
35⅛	30⅛	Am El Powr	2.40	7.3		131144	33¼	32¾	32⅞	−½
24⅝	20⅛	Am Express	1.00	4.8		121176	20¾	20⅜	20¾	
50⅜	40¼	Am Genl Co	2.08	4.2		101480	49⅝	49⅜	49⅜	−⅝
9¼	8	Am Govt In	0.77	8.7		108	9	8⅞	8⅞	−⅛
37	24⅛	Am Hlth Pr	2.71	10.3	12	790	26¼	25¾	26¼	+½
32¼	23	Am Heritge	0.84	2.7	15	46	31⅞	31	31	−⅜
84¼	66¾	Am Home Pr	2.60	3.5		153096	76	73⅞	73⅞	−1
3⅜	1⅞	Am Hotels	0.75	37.5280		12	1⅞	d1⅞	2	+⅛
98⅞	82	Am Intl Gr	0.56	0.6		123803	93¼	92⅝	93⅛	−⅞
2⅛	⅝	Am Intrnl			0	135	⅝	d½	½	
8¼	1⅝	Am Intl Pf	2.00	108.7		69	1⅞	d1⅝	1⅞	+⅛
12½	10⅜	Am Opp Inc	1.14	9.8		283	11½	11⅜	11⅝	+⅛
48	30¼	Am Presdt x	0.80	1.4	8	634	43¾	42¼	43	−1
10⅞	7⅛	Am Real Es	1.50	19.7	6	28	7⅝	7½	7⅝	+⅛
3½	1⅝	Am Ship Bd			1	325	1⅜	d¾	⅞	−⅜
38½	30½	Am Stores	0.70	1.9	10	841	37	36	36	−1
44⅞	36⅝	AT&T	1.32	3.1		905834	42⅝	42¼	42⅜	−¼
19½	16½	Am Watr 5%	1.25	6.7		5	u19½	18¾	18¾	−⅜
28⅜	20⅝	Am Watr	0.92	3.9	10	164	24	23⅝	23¾	−¼
70⅝	48¼	Ameritech	3.52	5.1		142180	69⅞	69⅛	69¼	−½
36½	29	Ameron Inc	1.28	4.0	15	17	32⅜	31⅞	31⅞	−⅜
2¼	⅜	Ames Dl St			0	236	7/16	½	7/16	+1/16
18⅛	13¼	Ametek Inc	0.68	4.5	15	702	15⅛	15	15⅛	
11⅞	10⅞	Amev Sec x	1.02	8.8	1	68	11⅜	11⅜	11⅝	−⅛
52⅜	41¼	Amoco	2.20	4.4		1004895	50⅞	50	50⅛	−⅛
8⅞	6	AmpcoPitt	0.30	5.0	8	40	6⅛	d6	6	
12⅛	4¼	Amre Inc	0.12	2.6	21	51	4⅝	4⅜	4⅝	+⅛
31⅜	21¼	Amsouth	1.04	3.8	11	181	27⅝	27¼	27¼	−½
5⅜	3⅛	Anacomp			7	295	3⅜	3¼	3¼	−⅛
29⅜	18½	Anadarko	0.30	1.0	97	803	29⅛	27⅞	29⅛	+⅞
11⅛	8⅝	Analog Dev			97	438	9⅞	9⅝	9¾	
40	27¼	Angelica	0.92	3.2	13	40	28½	d27⅛	28½	+1¼
60¾	51¾	AnheuBsch	1.28	2.4		153525	54	53½	53¾	−⅝
28	25¼	ANR PpePf x	2.65	10.4		3	25⅞	25⅞	25¼	−⅛
47⅛	31¼	Anthem			14	79	32¼	d31⅜	31⅜	−¼
14¾	10	Anthony In	0.44	4.2	13	68	11	10⅜	10⅜	−⅝
49¾	39⅛	Aon Corp	1.68	3.7	11	491	46½	45¾	46	−½
19½	12	Apache Crp	0.28	1.5		191495	18½	18¼	18⅜	−⅛
11¼	10¾	Apex Mun F x	0.90	8.2		427	11	10⅞	11	
10⅝	6	APH			106	147	6⅜	6⅜	6⅜	−⅛
102	96½	AppalPwPf	8.12	8.0		z100	101½	101½	102	+½
6⅝	5⅛	Appld Mag			2	31	5¾	5⅝	5¾	
31¼	22	ArcherDan	0.09	0.4		152089	24⅜	d24½	24⅝	−¼
47¼	36⅝	Arco Cheml	2.50	6.0	22	211	43⅝	42	42	−1¾
14¼	5⅞	Arc Alask			14	133	13¾	13⅝	13⅝	−¼
12⅞	6⅞	Arkla x	0.28	2.6		2852164	10⅝	10⅜	10⅝	+⅛
39⅛	29½	Arkla Pf x	3.00	7.7		36	39	38¼	38⅞	−¼
46¼	32½	Armco 45P x	4.50	10.0		89	45½	44	45	+4½
7⅛	4⅜	Armco Inc				12258	6⅝	6¼	6⅜	−½
25	19	Armco 2.1P x	2.10	8.8		8	23¾	23¼	23¾	+1⅛
37½	26	Armstrong	1.20	4.1	25	820	29⅛	28⅝	29	−⅜
35	25	Arrw El Pf	1.94	6.2		286	32⅛	31	31⅛	−1⅜
22¼	14½	Arrow Elec			34	613	21¼	20½	20½	−⅞
11¼	4½	Artra Grp			1	37	6	5¾	5⅞	−⅛
29½	20⅜	Arvin Ind	0.68	2.4	19	749	28¾	28	28⅜	−½
31¼	19¾	Asarco Inc	0.80	3.1	30	851	26	25⅝	25⅝	−1
38	23¾	Ashld Coal	0.40	1.6	11	604	25¼	24⅜	24½	−¼
34	23¼	Ashlnd Oil x	1.00	4.3		111465	23¼	d22¾	23⅛	−⅜
17	12¼	Asia Pac F	1.82	13.5		253	13⅞	13½	13½	−½
14¾	7½	Asset Invr	2.35	28.5	5	129	8⅜	8⅛	8¼	
35	18⅛	Ass Nt Gas	0.12	0.5	32	21	26⅛	25¾	26⅛	+¼
16½	12¾	Athlone	1.00	7.1	16	12	14⅛	14	14	−⅛
281¼	235⅜	Atl Rich 2 x	2.80	1.0		2	270⅝	270⅝	271⅜	−0⅝
38¼	30¼	Atlnta Gas x	2.06	5.6	16	82	37⅛	36⅞	36⅞	−⅛
6¼	4½	Atlnta Sos	0.40	8.0	11	2	5¼	5¼	5	−¼
24⅝	19½	Atlntc Egy	1.52	6.4	11	517	24⅛	23¾	23¾	−⅜
119¼	98¼	Atl Rich x	5.50	4.9		301351	113¾	113	113⅜	−½
7	4	Atlas			28	28	4½	4⅜	4½	+⅛
23	19	Atmos Egy x	1.24	5.7	15	26	22	21⅞	21⅞	
13⅞	10½	Atwds ADR	0.50	4.9	10	56	10¼	d10⅛	10¼	−⅛
10¼	4¾	Audio/Vid			13	48	6⅝	6½	6½	−¼
13⅛	8½	Augat	0.40	3.1	11	205	12⅞	12⅝	12¾	−¼
10⅝	7⅛	Austria Fd	0.13	1.8		344	7¼	d7	7⅛	−¼
49	38¾	Autom Data	0.46	1.1	23	603	43¾	43¼	43¼	−⅝
4⅛	2¼	Avalon Egy			2	5	2⅜	2⅜	2½	
28	24¼	Avemco	0.40	1.6	25	13	24¾	24⅜	24⅜	−⅛
30	23½	Avnet Inc	0.60	2.2	19	97	27⅝	27⅛	27⅝	
63⅞	44	Avon Prods x	1.80	3.2	22	865	50⅛	50	50⅛	−½
28⅞	14⅞	Aydin Corp			7	47	14⅞	d14½	14½	−⅜
		- B -								
43¼	35½	BCE	2.16	5.7	10	965	38⅜	38¼	38⅜	+⅛
15¼	7¾	BET ADR	0.53	5.6	7	5	9⅛	9¼	9⅛	
8¼	6⅜	Balrnco	0.20	2.8	14	47	7¼	7¼	7⅛	−⅛
19⅛	17	Baker Fent	1.72	9.3		69	18½	18¼	18½	
24⅛	15⅞	Baker Hugh	0.46	2.0		993948	23	22½	22⅞	
28	22⅛	Baldor Elc	0.52	1.9	21	46	27¼	27	27	−⅛
33½	31¼	Ball Corp	1.24	3.8	14	282	33¼	32⅝	33	+⅛
8⅛	4⅛	Bally Mfg			8	637	5⅛	5	5	−¼
24⅜	19¼	Baltm G&E	1.44	6.2		161287	23⅝	23⅛	23⅛	−½
9⅜	4½	Balt Bnkcp	0.60	8.9		01009	7	6½	6¾	−½
50	42¼	Banc One	1.28	3.0		135165	43⅜	42⅞	42½	−1⅛
9⅝	2¾	BancFlrda			3	68	8⅞	8⅞	8⅞	−⅛
30	23¼	BancoBR V	1.21	5.2	5	12	23¼	23¼	23¼	
18⅞	15⅛	BancoCentH			3	z100	15½	15½	15⅜	−⅛
52	41⅞	BcpHawaii x	1.29	2.9	10	214	44¾	44⅛	44⅛	−⅜
73¼	58¼	Bandag Inc	0.60	0.9	22	85	70⅞	70	70⅛	−⅜
49⅝	35⅛	BankAmerica x	1.30	3.1		88732	43	42⅛	42⅜	−¼
76¼	65	Bank Bost x	5.60	7.8		10	73	71⅞	71⅞	+2⅛
25⅛	11⅛	Bank Bostn	0.40	1.9	9	10872	21¾	21¼	21⅜	−⅜
44⅞	31	Bk Bostn P x	3.20	7.4		5	43⅛	43⅛	43⅛	+2.08
43⅞	30	Bank New Y	1.52	3.8		102038	40½	39⅞	40	−⅞
47⅝	42½	BankAm A	3.25	6.9		60	47⅛	46¾	46⅞	+⅛
83⅜	72⅛	BankAm B	6.00	7.4		26	81⅝	81⅛	81¼	−⅜
68½	50	Bankers Tr	2.80	4.7		71866	61⅛	59⅞	60	−1½
30½	20⅜	Barcls ADR x	2.07	9.0	20	31	23	22⅞	22⅞	−⅞
34	22½	Bard (C R)	0.52	1.7		242007	30⅝	29⅞	30	−½
36⅛	28¼	Barnes Grp	1.40	4.8	14	6	28⅞	d28¼	28⅞	−⅛
40½	31	Barnett Bk	1.32	3.7		161255	37	35½	35¾	−1½
6⅞	4⅞	Barold	0.20	3.2	29	801	6⅜	6¼	6¼	−¼
8⅝	5⅞	Battle Mt	0.10	1.5		382215	6½	6⅜	6½	+⅛
60¼	44½	Bausch Lmb	0.80	1.7		301201	48⅜	48	48⅜	−½
40½	32¼	Baxter	0.86	2.3		162281	37⅜	37	37	−½
24⅞	20¼	Bay St Gas x	1.38	5.6	16	87	u24⅞	24½	24⅞	−¼
25¼	21⅜	Bd Tr 1838	1.82	7.2		62	25⅜	25⅛	25⅛	
19¼	15	Bear Stns x	0.60	3.9		52193	15¾	15⅜	15⅜	−⅛
46	43⅞	BearStPfA	3.25	7.1		z100	45½	45½	45½	
23¼	17⅝	Bearings x	0.64	3.7	72	23	17⅝	d17½	17½	−¼
22½	17⅜	Beckman In x	0.32	1.6	14	480	20⅜	20	20⅝	+⅜
78⅞	64⅜	Becton Dks	1.20	1.6	15	980	78	77	77⅛	−1¼



1992 High	1992 Low	Stock	Div.	Yld. %	P/E	Sls 100s	High	Low	Close Quote	Ch'ge Prev. Close
37½	25¾	Belding Hv	0.64	2.0	22	35	31¾	31½	31½	−½
49¾	40¼	Bell Atlan	2.60	5.3		145006	49⅛	48¾	48⅞	−½
13⅛	9½	Bell Indus	0.40	3.8149		7	10⅝	10½	10½	
55⅜	42⅞	BellSouth	2.76	5.1		154267	54⅛	53¾	53⅞	−½
46¼	30⅜	Belo AH A	0.56	1.2	33	281	45¾	45⅜	45½	+¼
28	19¾	Bemis x	0.46	1.7	23	211	27¼	26½	26⅞	−⅜
56½	50	Benef 4.3P	4.30	7.6		3	56¼	56¼	56¼	−¼
67¼	56¼	Benef	2.60	4.0	10	281	64⅝	64⅜	64½	−⅜
23¼	18¼	Benetton A	0.33	1.6	16	z100	20⅜	20⅜	20¼	
1⅜	¼	Benguet B			46	793	½	⅜	½	+1/16
9960	8575	Berksh Hwy			32	5	9275	9200	9200	−125
24	16¾	Berlitz	0.56	2.4		24144	23⅝	23¼	23½	+¼
14⅛	10¾	Berry Petr	0.60	4.9	18	93	12⅜	12¼	12¼	−⅛
28	14⅞	Best Buy			16	212	16½	16	16⅛	−⅝
26	20¾	Beth St 2.	2.50	10.1		35	24¾	24½	24¾	
51⅜	40⅝	Bethlhm Pl	5.00	10.2		13	49⅛	49	49¼	−⅛
17¼	11⅞	Bethlhm St	0.40	3.5		11213	11⅞	d11½	11½	−⅛
10⅛	7¼	Beverly En				201008	9¼	8⅞	9	
26½	15	Biocraft	0.10	0.6	43	68	18¼	18⅛	18⅛	−⅛
31¼	21⅞	Birmngm S	0.50	2.2	13	627	23⅝	22⅝	23	−⅜
26⅞	16½	Black & D	0.40	2.2		213896	18	17⅜	17⅞	
32¼	25⅛	Black H Pt x	1.24	4.4	16	46	28	27¾	28	−⅛
11⅞	10½	BlckrckAdv x	0.96	8.9		81	10⅝	d10½	10⅝	+⅛
10⅞	9¼	BlckrckInc x	0.97	10.1		2583	9⅝	9½	9⅝	
11⅛	10¼	BlckrckTgt x	0.92	9.0		875	10⅛	d10¼	10¼	−⅛
41⅛	30⅛	Block H&R	0.88	2.5		231181	35⅜	34⅞	35⅛	−¼
15¾	11⅛	Blockbustr	0.04	0.3		191751	12⅝	12½	12⅝	
8¼	7⅛	Blue Chip	0.78	10.2		211	7⅞	7⅝	7⅝	−¼
12⅛	6½	BMC Ind			6	45	7⅝	7½	7½	−¼
54⅝	38⅜	Boeing x	1.00	2.6		76496	38½	d38⅛	38¼	−⅜
25⅜	16⅜	Boise Casc	0.60	3.5	4	486	17⅝	17⅜	17⅜	−¼
6⅞	4⅛	Bolt B & N	0.06	1.5	17	134	4⅛	d4⅛	4⅛	−⅛
22⅞	13¼	Bordn Ch	2.10	12.4	12	256	17⅛	16¾	16⅞	−⅞
24⅛	14⅛	Bordn Ch U	1.36	8.0		121028	18	16¾	17	−1
34⅞	27⅝	Borden Inc	1.20	4.3		142706	27¼	d27½	27¾	−⅛
21⅝	18⅝	Bostn Celt	2.25	10.7	20	4	21⅛	21	21	−⅛
18½	14⅞	BstnE PfC	1.46	9.7		z0	15	15	15	
105	100¼	Bostn Ed 8	8.88	8.5		4	104¾	104½	104¾	+⅜
27¼	19⅛	Bowater	1.20	6.3	14	452	19⅛	d18⅞	19	−⅛
23⅝	14⅞	Brazil Fnd	0.27	1.7		391	16	15½	15⅝	−⅜
32¼	28⅜	BRE Prop	2.40	7.5	21	14	32	31⅞	32	
54¾	41¾	Briggs & S x	1.60	3.8		111527	42⅞	42⅛	42⅝	+⅜
41¼	29⅞	Brinkerint			30	246	36⅛	35	35	−1⅜
80½	62¼	Bristol M	2.76	4.2		167734	66⅛	65⅜	65⅝	−¼
57½	39½	Brit Airwy	3.44	7.6	7	992	45½	45¼	45¼	−¼
49½	40¾	Brit Gas	3.85	8.0	11	106	48	47⅛	48	+¾
66⅞	43¾	BP ADR x	3.60	8.1		164999	44¼	43⅞	44⅝	+⅜
31⅞	27⅞	BP Prudhoe	3.15	10.2	7	141	31	30⅜	31	
1⅞	1/16	BP Wts93				781	0.06	d1/16	1/16	
15⅜	10¼	Brit Steel	0.94	9.1	6	671	10½	10⅜	10⅜	−⅛
68	53⅞	Brit Tel	4.46	6.6		121225	68⅞	68⅛	68⅛	−⅛
21⅜	15¼	Broad Inc	0.20	1.0	5	166	20	19⅝	19¾	−¼
34¼	26	Brooklyn U	1.94	5.8	15	145	33½	33¼	33⅜	+⅛
90	72	BrwnFormnB	2.44	2.9	15	79	85	84½	84⅝	−⅛
28⅞	21	Brown Grp	1.60	6.6	48	360	24⅛	23⅞	24⅛	−⅛
10½	5	Brown&Shrp	0.32	5.7112		87	5⅝	5⅜	5⅝	−¼
24⅞	19⅝	Browning F	0.68	3.1		2731540	22⅛	21⅞	21⅞	−½
3⅞	1⅞	BRT			1	28	2½	2⅜	2⅜	−⅛
17⅞	12¼	Brunswick x	0.44	3.6		441470	12⅝	12⅜	12⅝	−⅛
19	12⅞	Brush Welt	0.20	1.1	10	197	17⅝	17¼	17⅝	+⅛
30¼	25⅞	Buckeye Pt	2.60	8.6	11	42	30⅜	30	30¼	−¼
17¼	15⅜	Bunker Hll	1.44	8.6	0	7	16¾	16¾	16¾	
15	11⅞	Burger K I	1.56	10.7	21	4	14⅝	14½	14⅝	
17¼	11	Burl Coat			8	83	15¼	14	15¼	+1
47⅞	34⅛	Burl North	1.20	3.6		114346	33⅞	d33¼	33½	−⅝
42⅞	33	Burln Reso	0.50	1.2		273406	40⅝	39⅞	40⅝	−¼
18	14¼	Burnham Pc	1.36	8.9	78	45	15⅜	15⅛	15¼	−⅛
		- C -								
37½	27¼	CBI Ind x	0.48	1.7	16	656	27¼	27½	27⅝	−¼
209¼	132¼	CBS Inc x	1.00	0.5	40	671	195¼	191½	191⅞	−6⅜
1⅛	⅝	CCX Inc	.		2	2	⅝	d⅝	⅝	
⅝	¼	CF Inc Uts	0.16	64.0	0	10	¼	d¼	¼	
22⅞	14⅞	CMS Energy	0.48	3.1		603675	15⅞	15½	15⅝	−¼
104½	78½	CNA Finl			12	128	89¼	88¼	89¼	−¼
50¾	39¾	CPC Intl	1.20	2.5		171474	49	48¼	48⅞	−1
27⅛	17¼	CPI Corp	0.56	3.2	10	350	17⅜	d17¼	17¼	−⅛
67¾	54⅞	CSX x	1.52	2.5		122695	61	59⅞	60	−1¾
24½	17¼	CTS Corp	0.75	3.4	38	4	22	21⅞	21⅞	−¼
33⅝	26¾	Cable&Wire	0.83	2.8	18	292	30	29½	29¾	+⅛
65⅞	42¼	Cabletron			23	273	55¼	53¾	54	−1½
52¾	31¼	Cabot Corp x	1.04	2.1	16	430	51⅝	49⅞	50	−1½
16⅛	10¼	Cabot O&G x	0.16	1.1160		29	15¼	15	15	−⅛
29⅞	16⅝	CadnceDsgn				511076	18⅛	17⅛	17½	−⅝
41	25	Caesars Wl				101325	32⅜	31¼	31⅞	−1⅛
2¾	1⅞	Cal Real E	0.25	12.5	7	14	2	2	2	
4¾	2¼	Calfed Inc	0.12	4.8	0	975	2⅞	2⅝	2⅝	−⅛
26¾	16¼	Calgon Cbn	0.16	0.9	21	597	18⅝	18⅜	18⅝	−⅛
26⅝	20⅜	Callmat Co	0.64	3.1	35	112	20⅝	d20¼	20⅜	
1⅛	¼	Calton Inc			0	835	5/16	d¼	¼	
43¼	31½	Campbell S	0.78	2.1		202319	38⅜	37⅝	37⅝	−¼
7/16	⅜	Campbl Rs			14	64	7/16	7/16	7/16	−1/32
16⅝	13⅝	Can Pac	0.27	2.0	5	223	14	13¾	13¾	−⅛
487	410¼	Cap Cities	0.20	0.0	19	179	444⅞	436	439	−6⅜
65	52	Cap Hldg	1.32	2.2		101340	62⅛	60¼	60¼	−1⅞
32⅛	24½	Capstd 1 6	1.20	3.9		z100	30⅝	30⅝	30⅝	
36¼	27½	Capstd Mge	3.20	9.5	10	242	34½	33⅝	33¾	−⅝
⅞	0.24	Careercom			0	216	¼	d7/32	¼	
45⅞	35¼	Carlisle x	1.36	3.3134		69	41⅞	41⅛	41¼	+¼
3⅝	⅝	Carolco Pc			0	4	11/16	d⅝	⅝	−1/16
20¼	12½	Carolna Fr	0.60	4.8156		250	12⅞	d12½	12½	−⅛
54⅛	48⅞	Carolna Pw	3.16	6.1	11	678	52	51¼	51⅝	−⅜
50¾	41	Carpenter x	2.40	5.4	27	323	45	44½	44¾	+⅞
2¾	1	Carter Haw			0	138	1⅛	d1	1⅛	−⅛
45¼	22⅞	CarterWal	0.33	1.3	25	777	25½	25¼	25¼	−⅛
24⅞	20⅜	Cascde N G	1.40	5.7	28	56	24⅝	24¼	24⅜	
13	8⅞	Cash Amer	0.05	0.5	20	288	9⅝	9¼	9⅜	−½
62⅛	41⅛	Caterpillr	0.60	1.3		81654	47⅝	46¾	46⅞	−⅞
10¼	6⅝	CDI Corp			67	6	6⅞	6¾	6¾	
21¼	17¾	Cedar Fair	1.56	7.6	12	281	20¾	20¼	20⅝	+⅛
26	23¼	CnHudCEPf	1.82	7.1		78	25½	25½	25½	
47¾	28⅛	Centel Crp	0.90	3.0		211053	30	29¾	29⅞	−⅛
20	15¼	Centerior	1.60	9.8		111838	16½	16¼	16⅜	
56	39⅜	Centex Crp	0.40	0.9	18	138	47⅛	46⅞	46⅞	−½
29⅞	25⅞	Centr Hdsn	2.00	6.8	12	85	29¾	29⅝	29⅝	−¼
26¼	22⅛	Centr Loui	1.38	5.6	12	29	24¾	24⅝	24¾	−⅛
23⅞	19⅞	Centr Main	1.56	6.7	11	131	23¼	23	23¼	+⅛
23⅜	19	Centr Nwsp	0.40	1.8	20	84	21⅞	21⅝	21⅝	−¼
34¼	29¼	Centr Vrmt	2.06	6.2	12	44	33⅞	33½	33⅝	−⅛
30	24¼	CentrSSW	1.84	5.4	14	927	28⅞	28½	28⅝	−⅛
38⅛	27½	Century Tl	0.44	1.3	22	416	33⅜	32½	32⅞	−¼
16⅛	13⅜	Ceridian			7	215	14⅞	14⅜	14⅞	−⅛
30¼	23½	Champion	0.20	0.8482		627	24¼	24	24⅛	−¼
12⅝	8⅝	Chaparral	0.20	2.2	37	149	9¼	9⅛	9⅛	
13	6⅞	Chart Hse			12	211	6¾	6½	6¾	+¼
55¼	49½	ChaseM10.5	5.25	9.9		3	52⅞	52⅞	52⅞	
48⅝	35⅝	ChaseM PfF	3.90	8.1		17	48¼	47⅞	48	−⅛
30⅞	17¼	ChaseManh	1.20	5.1		73023	23⅝	23¼	23½	−½
8	2⅞	Chause B			18	377	7⅜	7	7¼	−⅛
51	42¼	Chem Bk Pf	3.88	7.7		56	50¾	50⅝	50⅝	−⅛
11⅞	8¾	Chem Bk C	0.83	7.4	0	884	u11½	11⅛	11¼	−⅛
51⅜	44⅜	ChemBkAdj	4.45	8.8		23	50½	50½	50½	
32⅜	25	Chemed x	2.00	6.6	18	72	30⅝	30¼	30¼	−½
39½	21⅞	Chem Bkg	1.20	3.7		71048	32⅞	31⅞	32⅛	−1⅛
23½	16⅜	Chem Waste	0.20	1.2	26	334	17⅜	16⅞	17	−⅛
29¼	21⅞	Chesapeake	0.72	3.0	28	273	24⅛	23⅞	23⅞	−¼
73¼	60⅛	Chevron	3.30	4.6		242340	73	71	72¼	+⅞
151	134	Chic Mlwk	12.04	8.1	9	75	149½	149½	149½	
99¾	78	Chic Ml Pf	5.00	5.0		17	99⅛	99½	99½	
41	24	Chile Fund	4.42	12.7		107	35⅛	34⅝	34⅞	−⅛
40½	15½	Chiqta B x	0.88	4.02421710			17¼	16⅞	17	
8⅞	5⅞	Chock Full			21	123	7⅜	7⅛	7⅛	+⅛
28¼	24¼	Chris Crfd			11	170	26⅝	26¼	26¼	−⅛
34½	27	Christiana			27	6	27¾	27¾	27¾	−⅛
22⅞	11½	Chrysler	0.60	3.1		638090	20⅛	19½	19⅝	−1
78⅝	62⅞	Chubb Corp	1.60	2.1		122270	75½	74	74⅞	
60⅞	47¼	Cigna Corp	3.04	6.0		91802	51¼	50½	51	−⅜
8½	7	Cigna H I x	0.90	11.1		679	8⅛	8	8⅛	+1/32
40¼	33⅝	Cilcorp In x	2.46	6.3	13	90	39	38⅞	39	
62¾	58	CinGE4.75	4.75	7.7		z100	62	62	62	
20⅞	18	Cinn Bell	0.80	4.8	18	142	17	16¾	16¾	−¼
39⅞	33⅛	Cinc Gas	2.48	6.7		122234	37⅛	36⅞	36⅞	−⅝
18¼	10⅞	Cinc Milac x	0.36	2.6	5	246	13⅝	13½	13⅝	+0.24
3⅝	1⅞	Cineplex O			2	24	2⅛	2⅛	2⅛	
30⅞	26	Cipsco x	1.92	6.3	13	137	30½	30⅜	30½	−¼
35¾	22¼	Circuit Ct	0.12	0.4		161517	32¼	31⅞	31⅞	−½
47⅞	35	Circus Cir			24	934	46⅜	45¾	45¾	−⅞
21⅝	10⅜	Citicorp	1.00	6.0		[illegible]	17	16½	16¾	−½
26½	21⅝	Citicp8.12	2.28	8.9		35	26⅞	25⅝	25¾	−⅛
78	50⅝	CtcpPf2Ad x	6.00	8.2		39	74⅜	73¼	73¼	−1⅛
89¼	60½	CtcpPf3Ad x	7.00	8.2		16	87	85¼	85¼	−1¼
28½	23	Ctzn Utl A			20	136	28¼	27⅞	28¼	−⅛
28½	22¼	Ctzn Utl B	1.54	5.4	13	211	28⅜	28	28⅛	+⅛
16	7⅞	City Natnl	0.64	8.4	2	969	8¼	d7⅝	7⅝	−⅝
10⅝	6¼	Claires St	0.10	1.6	25	29	6¾	6⅝	6¾	−⅛
28⅞	20⅜	Clark Equi			4	308	20⅜	d19⅞	19½	−1
27⅛	13¾	Clayton Hm				171460	20	19	19⅞	+⅞
9¾	8½	Clements G	0.35	3.9		42	8⅞	8¾	8⅞	
92½	83	Cleve7.56	7.56	8.2		8	91⅞	91⅞	91⅞	+1⅞
40⅛	29½	ClevldCli x	1.20	3.6	9	83	33⅜	32⅞	33	−⅜
89	82½	Clevld El	7.40	8.6		14	86	86	86	−½
52	39½	Clorox Co	1.68	3.9	23	883	43½	42⅞	43	−½
32⅜	21¼	Club Med x	0.30	1.2	12	18	24¼	24	24¼	+0.18
12⅛	11⅛	CNA Income	1.16	9.2		83	12⅝	12½	12⅝	−⅛
6⅞	5½	Coachmen x	0.08	1.2	5	21	6½	6½	6½	−⅛
12¼	7	Coast Sav	0.40	5.4		41552	7¾	d6¾	7⅜	−¼
29⅛	22	Coastal	0.40	1.4		391963	28⅛	27⅜	27⅜	−⅝
45⅛	35½	Coca Cola	0.56	1.3		318339	42⅞	41⅞	42⅝	−⅛
18½	11⅛	CocaClEn	0.05	0.4		101346	11⅜	d11⅛	11⅜	−⅛
18⅞	13¾	Coeur Daln	0.15	0.9	47	85	16¼	15⅞	16	+⅛
56¼	45⅛	Colgate P	1.24	2.3		571871	55⅛	54¼	54½	−⅜
12⅛	11⅜	Colon Inv x	0.83	7.1		41	11⅞	11¾	11⅞	−⅛
9⅜	8¼	Colonial H	0.71	7.8		282	9⅛	9⅛	9⅛	−¼
7⅛	5⅞	Colonial I	0.78	11.3		90	7	6⅞	6⅞	
8⅝	7½	Colonial M	0.64	7.6		114	8½	8⅜	8⅜	−⅛
19¼	14	Columb Gas	2.32	13.4345		757	17⅜	17¼	17¼	−⅛
23¼	12½	Comdisco	0.28	1.7	9	282	16½	16¼	16⅛	−⅜
63⅞	52½	Comerica	1.88	3.2	16	817	59¼	57¾	58	−1
19⅝	16¼	Comintric	0.68	4.0	28	15	17¼	17⅛	17⅛	−⅛
25¼	18⅞	Comml Met	0.52	2.3	24	5	22⅜	22⅜	22⅜	−¼
43⅛	34¼	Comm Sat x	1.40	3.5	11	184	40⅞	39⅞	39⅞	−1⅛
19¼	6¾	Commodore				53143	7⅛	7	7⅛	
39¾	26⅛	CwthE 1.42	1.42	5.3		4	27	27	27	
24⅜	22	CwthE 1.9	1.90	8.0		26	23⅞	23⅝	23⅝	−⅛
25⅞	23¼	CwthEd2 00	2.00	8.1	3	5	24⅞	24¼	24⅜	−⅛
28⅜	26	CwthEd2.37	2.38	8.8		9	27⅛	27	27⅛	+⅛
33	28⅞	CwthEd2.87	2.88	9.6		3	30½	30⅛	30⅛	−⅜
40	23¼	Commw Ed	3.00	12.3		1742049	24⅝	24⅜	24⅜	−¼
15⅝	9½	Commun Psy	0.36	3.6		251511	10	9⅝	10	
35½	22¼	Compaq Com				343090	28⅜	28⅜	28⅞	−⅛
2⅞	1¼	Comprehens			1	207	1⅜	1⅜	1⅜	
17	10⅞	Comptr Ass	0.10	0.7		126690	13⅝	13¼	13⅜	−⅛
81½	57	Comptr Sci			15	157	65⅛	65	65⅛	−⅜
10⅛	7⅛	Comptr TGp	0.05	0.6	44	213	8⅛	8	8	−⅛
35¾	24½	ConAgra	0.54	1.9		182870	28½	28¼	28¼	−⅛
25	20	Connect NG	1.44	5.9	16	44	24⅜	24⅛	24¼	+¼
24¾	18⅞	Connect En	1.26	5.4	15	43	23⅝	23½	23⅝	+¼
23¼	15⅝	ConnerPer				104240	19	18½	18⅝	−½
65	60½	ConsE4.65	4.65	7.2		5	u65	64½	65	
31⅜	25	Cons Edisn x	1.90	6.3		121383	30½	30⅛	30¼	−½
68	63	Cons Ed Pf	5.00	7.3		16	u68¼	67⅞	68¼	+¼
19⅝	12½	Cons Freig			17	458	12⅞	12⅝	12¾	
47½	33⅞	Cons Nat G	1.90	4.3		202945	44¾	44¼	44⅜	−1
94⅝	79	Cons Rail	2.20	2.8		182416	81½	79½	79⅝	−2
16⅞	10	Cons Store				191540	11¾	11½	11¾	+⅛
41½	20⅝	Conseco	0.08	0.3		51177	26⅜	25⅝	25⅞	−⅜
24	17	Constar In	0.35	1.6	16	249	22	21¼	22	+⅛
55½	50½	CPwr 4.16	4.16	7.9		z100	54	54	52½	−½
94	85½	CPwr 7.45	7.45	8.0		z100	93¼	93¼	93	
94¾	88	Con P7.68	7.68	8.2		6	93⅝	93½	93½	
29⅝	12½	Cont Medic				241312	17⅜	17½	17⅝	−¼
47¾	33⅛	ContBk Pf	3.75	8.0		28	47	46½	47	−¼
27¼	19	ContBkPfA	2.33	8.7		249	27	26⅝	26¼	−⅛
19⅝	9¼	Cont Bk	0.60	3.7		311582	17⅛	16	16¼	−¼
34¼	25⅞	Cont Corp	2.60	7.8	31	819	33¼	32⅞	33¼	−⅛
7¾	6⅛	Conv Hlds				375	u7¼	7⅜	7¼	+⅛
13	12	Conv H Pf	1.48	12.0		322	12⅝	12⅛	12⅜	+¼
16⅛	5¼	Conwex Com			16	77	6	5⅞	5⅞	
4⅝	2¼	Cooper Cos			5	638	2⅜	2⅜	2⅜	−⅛
59¼	41¼	Cooper Ind	1.24	2.7		141221	46½	45¾	46	−¼
28⅞	22	Cooper T&R	0.18	0.7	22	882	26⅞	26	26⅛	−⅜
9¼	6⅛	Core Ind	0.24	3.3	19	32	7½	7¼	7¼	−⅛
40¼	28¼	Corning	0.60	1.7		242301	36⅜	36	36¼	−⅛
14¾	12⅞	Cousnir Tm	0.12	0.9		5	13⅝	13½	13⅝	
31¼	17	Country Cr	0.37	1.5		144032	26½	24¼	24¾	−1¼
6½	4½	Country Mr	0.60	12.8	8	104	4¾	4⅝	4¾	
16	9	Craig			462	91	9⅜	9¼	9¼	−¼
27⅞	21⅞	Crane Co	0.75	3.1	33	215	24⅜	23¾	24⅜	−¼
30	18	Crawford	0.40	1.9	20	134	21	20½	21	+1
49½	23⅛	Cray Res			6	697	23⅛	d23	23⅛	−¼
9⅞	8⅝	CRI Insd M	1.08	11.4	12	235	9⅝	9½	9½	−⅛
12⅜	10⅛	CRI Liq Re	1.28	11.4	10	43	11½	11¼	11¼	
83⅝	34	Crtcl Care			21	425	37	36½	37	−⅜
23¼	16	Crompton&K	0.32	1.6	25	201	20⅛	19⅞	20¼	+⅛
34½	27½	Crown Cork			20	546	32⅞	32	32⅞	−¼

[illegible]

- D -

[illegible]

- E -

[illegible]

- F -

[illegible]

- G -

[illegible]

- H -

[illegible]

- I -

[illegible]

- J -

[illegible]

- K -

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- L -

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- M -

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- N -

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- O -

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- P - Q -

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- R -

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- S -

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NYSE COMPOSITE PRICES

Continued from previous page

1992 High	Low	Stock	Div.	Yld. %	P/E	Sls 100s	High	Low	Close	Ch'ge
53½	50½	Xerox4 125				2	u54⅛	53¾	54⅛	+1
33¾	24⅞	Xtra 1 94 x	1.94	6.2		16	31⅞	31⅛	31⅛	-⅛
45⅞	28½	Xtra Corp x	0 80	1 9	13	792	44	43	43	-1⅛
29½	25¼	Yankee Egy	1 66	5.7	13	20	29⅛	29	29	-⅛
1½	½	Zapata				23	116	1	[illegible]	[illegible]
11⅛	6⅛	ZenithElec			4	191	6½	d6⅜	6½	-⅛
19½	14½	Zenith Nat	1 00	5 7	8	37	17¾	17⅝	17⅝	+⅛
7½	6	Zenix Inc x	0.82	11.5		189	7¼	7⅛	7⅛	
13¾	10	Zero Corp	0.40	3.3	19	342	12¼	12⅛	12⅛	-⅛
38	27¼	Zurn Ind	0 88	2 8	34	53	31⅝	31½	31½	-⅛
14⅛	12	Zweig Fund	1.12	8.6		310	13	12⅞	13	
11	9½	Zweig Totl	0.96	9.3		666	10⅜	10¼	10⅜	

Price data supplied by Telekurs.

Yearly highs and lows reflect the period from Jan 1, excluding the latest trading day. Where a split or stock dividend amounting to 25 percent or more has been paid, the year's high-only range and dividend are shown for the new stock only. Unless otherwise noted, rates of dividend are annual disbursements based on the latest declaration. Sales figures are unofficial.

a-dividend also xtra(s). b-annual rate of dividend plus stock dividend. c-liquidating dividend. cld-called. d-new yearly low. e-dividend declared or paid in preceding 12 months. g-dividend in Canadian funds, subject to 15% non-residence tax. i-dividend declared after split-up or stock dividend. j-dividend paid this year, omitted, deferred, or no action taken at latest dividend meeting. k-dividend declared or paid this year, an accumulative issue with dividends in arrears. n-new issue in the past 52 weeks. The high-low range begins with the start of trading. nd-next day delivery. P/E price-earnings ratio. r-dividend declared or paid in preceding 12 months, plus stock dividend. s-stock split. Dividends begin with date of split. sls-sales. t-dividend paid in stock in preceding 12 months, estimated cash value on ex-dividend or ex-distribution date. u-new yearly high. v-trading halted. vi-in bankruptcy or receivership or being reorganised under the Bankruptcy Act, or securities assumed by such companies. wd-distributed. wi-when issued. ww-with warrants. x-ex-dividend or ex-rights. xdis-ex-distribution. xw-without warrants. y-ex-dividend and sales in full. yld-yield. z-sales in full.

AMEX COMPOSITE PRICES

4 pm close August 24

Stock	Div.	P/ E	Sls 100s	High	Low	Close	Chng
Bolar Ph		7	155	9¾	9¼	9¾	-¼
Bow Valley		3	53	9¼	9⅛	9⅛	+⅛
Bowmar		9	53	1¼	1⅝	1⅝	
Bowne	0.25	11	270	16⅛	15⅞	16	-⅛
Brascan A	0 86	25	16	15	14⅞	15	-⅛
BSN Corp	0 16	10	10	6	6	6⅛	
Cal Engy		13	246	11⅞	11⅝	11⅝	-⅛
Calprop		0	74	1	1	1	
Can Marc	0 23	9	29	13⅛	12⅝	12¾	-⅝
Chmbrs A		9	606	7¾	7½	7¾	+⅛
Chambers		10	46	8⅛	7¾	7¾	
Champion		35	41	3½	3½	3½	
Chiles		0	25	1	1	1	
Forest La		31	1882	38	37¼	37¼	-⅛
Frequency		56	6	4⅜	4¼	4½	
Fr ofLoom		18	853	38½	37⅞	38¼	-¼
Giant FdA	0 68	15	297	20⅝	20⅛	20¼	-⅛
Glatfltr	1.40	15	139	23½	23	23¼	-¼
Goldfield		1	132	[illegible]	[illegible]	[illegible]	[illegible]
Greenman		6	30	5¼	5¼	5¼	+⅛
Gulf Cda	0.34	5	62	4⅛	4⅛	4⅛	
Hasbro	0 20	18	2343	30½	29¾	29⅞	-1⅛
Health Ch		8	4	1⅜	1⅜	1⅜	
Healtnvst		5	30	1⅞	1⅞	1⅞	
Helco Cp	0.15	17	90	13	12⅞	12⅞	-⅛
Hillhaven		2	846	2⅜	2¼	2¼	
Moog A		19	75	5¼	5⅛	5⅛	-¼
MSR Expl		2	19	⅝	⅝	⅝	
Nat Pnnt		2	104	3½	3¼	3¼	-¼
New Line		19	16	10⅞	d10¾	10⅞	
NY TimesA	0.56	31	453	27½	26¾	26⅞	-¾
NthCanOil	0.17	85	z100	13	13	12⅞	
Novac OGS		2	17	4⅛	4⅛	4⅛	+⅛
NV Ryan		0	85	[illegible]	[illegible]	[illegible]	
Odetics A		32	67	5⅛	d5⅛	5⅛	
Olsten x	0.32	26	186	28¼	28½	28½	-⅞
OMI Corp	0 14	7	z0	0	d0	6⅝	
Pall Corp	0.36	27	224	26⅛	26	26¼	-¼
Pegasus G	0.10	35	1750	16	15¾	15⅞	+⅝
Perini	0 80	20	12	11⅝	d11¼	11¼	-⅜
Pet HldP	1.14	13	20	16	15⅞	15⅞	-⅛
Phil LD	0.21	16	383	40	39¼	39½	-⅛
Pitway A	1 10	16	21	31⅛	30¼	30¼	-⅛
Ply Gem	0.12	21	34	10⅛	9⅞	10	
PMC	0.68	15	2	10⅛	10¼	10⅛	
UtdFoodsA		3	51	1⅝	1½	1½	
UtdFoodsB		5	10	1⅝	1⅝	1⅝	+⅛
UnivPtrns		35	57	10⅞	10⅝	10⅝	-¼
US Cellul		91	10	19⅜	19¼	19¼	-⅝
Vivigen		46	13	12⅝	12⅝	12⅝	-⅛
VlangLab C		0	21	1¼	1⅝	1¼	
VlangLab B		0	33911	[illegible]	[illegible]	[illegible]	-1/16
Weatherfd		17	144	6¼	6	6⅛	-¼
Westamer	0.52	9	18	19⅛	19⅛	19⅜	-½
WIRET x	1.12	18	90	12¾	12½	12⅝	+⅛
Worthen	0 10	9	20	21¼	21⅛	21⅛	-⅛
Xytronix		7	14	7¾	7½	7⅝	-⅛

NASDAQ NATIONAL MARKET

4 pm close August 24

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AMERICA

Weak dollar and bonds upset equity investors

Wall Street

US STOCK markets yesterday added to last Friday's sharp losses as further declines in bond prices and the dollar continued to upset equity investors, *writes Patrick Harverson in New York.*

At the close the Dow Jones Industrial Average was down 25.93 at 3,228.17, not far off its low for the session. The more broadly based Standard & Poor's 500 fell 4.14 to 410.71, while the American SE composite lost 3.41 to 380.90 and the Nasdaq composite dropped 8.31 to 555.39.

Turnover on the New York SE came to 167m shares, and declines outpaced rises by more than three-to-one.

In spite of further intervention by the Federal Reserve, the dollar fell yesterday to DM1.40, its lowest-ever level against the D-Mark.

The weak dollar has undermined bond markets, where the yield on the 30-year bond has inched back up towards 7.5 per cent, because investors believe that the lower US currency reduces the chances for another interest rate reduction by the Federal Reserve.

The same concerns have troubled equity investors, who have reacted negatively to the rise in bond yields, which they fear could hinder the economy's ability to stage a solid recovery from the last year's recession. Stock market sentiment was also damaged by the news that Salomon Brothers, the big securities house, had reduced the stock portion of its asset allocation model because of political uncertainty and the weak dollar.

Insurance companies were lower in the wake of Hurricane Andrew's assault on South Florida. Investors sold in anticipation of big insurance payouts because of the hurricane damage, leaving Cigna down $⅜ at $51, Travelers $½ lower at $20⅝, Aetna $1 cheaper at $39 and Geico $⅜ off at $57⅛.

LSI Logic slipped $⅜ to $5¼ after the company announced plans to take a restructuring charge of $95 to $100m in the third quarter, which would result in a loss of more than $100m, or $2 a share.

Daxor, which is traded on the American Stock Exchange, plunged $2 to $6⅜ on news that Ressimo was no longer interested in buying the company, which operates a blood and human sperm bank.

On the Nasdaq market, the big computer and biotech stocks were lower.

Northeast Bancorp rose $⅞ to $8⅝ on rumours that the company was up for sale. Chase Manhattan, Fleet Financial, Bank of Boston and First Fidelity were all touted as possible buyers.

Canada

TORONTO stocks shrugged off an historic agreement that could end years of wrangling over the Canadian constitution with the lack of enthusiasm typical of Monday. The market instead focused on the slumping US dollar to end moderately lower.

The TSE 300 index shed 9.5 to 3,380.8 and declines led advances by 303 to 204 after volume of 23.7m shares.

Bank shares continued to see profit-taking, following National Bank of Canada's disappointing third-quarter earnings reported late last Thursday. The other major banks begin reporting their earnings for the period today.

Dollar speeds up European decline

By John Pitt

The downward trend on European equity markets is gathering pace as the weakness in the dollar and sterling, and fears of higher interest rates in the UK, undermine investor confidence.

Mr Gary Dugan, European strategist at Baring Securities, believes that worse is to come before investors can hope for any sort of recovery. He expects a further fall of between 5 to 10 per cent before European markets reach support levels and buyers are tempted back into the market.

In retrospect, it has been poor second-quarter results from blue chip companies across Europe, and particularly from Germany, that has triggered the decline, he says. Further evidence of weakness in Germany is expected this week when two chemical companies report their interims.

Baring is forecasting that BASF will show a 35 per cent drop in second-quarter earnings from the year-ago period, while it estimates a 22 per cent fall in Hoescht's figures.

On the other hand, research by Mr Joe Rooney, European strategist at James Capel, suggests that not all cyclical stocks have been damaged by the deepening economic recession. Since January 1991, Akzo, Rhône Poulenc and Ciba-Geigy have outperformed other European chemical issues in local currency terms, which supports the case that fund managers are being very selective.

Nevertheless, he remains cautious about the chances for a turnround this year. "I think we will continue to see downgradings of companies across Europe throughout this year, and until people are confident that interest rates will come down, things look set to remain as they are," he says.

The weakness of the dollar was one, but by no means the most important, factor which affected sentiment last week. The publication of new opinion polls in France indicating that a 'yes' vote in the September referendum on the Maastricht treaty was less than certain not only upset the Paris equity market but also caused unrest to spread to other bourses.

Unfounded fears that Germany might be forced to raise its Lombard rate added to the negative mood, while Hafnia's suspension of payments midweek weighed on the share prices of a number of leading institutions with stakes in the Danish insurer.

The European segment of the FT-Actuaries World index only showed a slight fall on the week, helped by technical rallies in Austria and Italy after their steep declines during the summer. However, excluding the UK, the index has dropped 2.5 per cent in the August month and is more than 8 per cent down on the quarter.

The world index was nearly 2 per cent stronger on the week as Japan pulled out of its recent slide. Other world markets remained mixed last week, with the best performance coming from Japan as it responded to the government's measures aimed at supporting equities. But Tokyo's rebound has done little to encourage markets in the Pacific Rim.

MARKETS IN PERSPECTIVE

	% change in local currency †				% change sterling †	% change in US $ †
	1 Week	4 Weeks	1 Year	Start of 1992	Start of 1992	Start of 1992
Austria	+6.20	-2.34	-24.18	-12.86	-12.59	-9.02
Belgium	+1.66	-2.90	-4.51	-3.76	+2.25	+1.61
Denmark	-2.48	-7.05	-26.27	-20.18	-18.37	-15.03
Finland	-8.22	-13.40	-36.26	-21.84	-22.40	-19.24
France	-0.42	+0.52	-0.18	-0.47	+1.54	+5.69
Germany	-2.39	-6.75	-7.51	-6.99	-5.68	-1.82
Ireland	+0.16	-2.29	-13.20	-10.08	-9.06	-5.35
Italy	+3.51	+1.18	-22.96	-17.97	-17.34	-13.95
Netherlands	+0.20	+0.60	+0.00	+3.10	+4.50	+8.76
Norway	-7.56	-14.56	-38.92	-22.20	-21.99	-18.80
Spain	+1.36	-1.25	-19.68	-15.03	-14.98	-11.51
Sweden	-3.91	-3.85	-20.91	-6.47	-5.01	-1.12
Switzerland	-1.56	-0.31	+3.93	+5.73	+7.78	+12.18
UK	+0.22	-1.02	-10.21	-5.54	-5.54	-1.68
EUROPE	-0.28	-1.70	-8.92	-5.38	-4.55	-0.65
Australia	+0.55	-3.45	-1.27	-7.43	-15.86	-12.43
Hong Kong	-5.35	-5.35	+41.80	+28.55	+24.23	+29.31
Japan	+11.82	+6.31	-25.92	-25.87	-29.37	-26.48
Malaysia	-1.83	-5.36	+4.16	-2.24	+2.36	+6.55
New Zealand	+0.38	-6.90	+0.07	-9.16	-13.05	-9.49
Singapore	+0.80	-9.02	-3.88	-15.95	-18.68	-15.35
Canada	+0.54	-0.49	-5.49	-4.51	-11.03	-7.40
USA	-1.24	+0.74	+6.56	-0.51	-4.43	-0.51
Mexico	-4.81	-6.98	+23.08	-4.47	-9.40	-5.70
South Africa	+0.90	-7.04	-7.16	-9.17	-25.15	-22.09
WORLD INDEX	+1.95	+0.99	-7.71	-9.52	-12.41	-8.82

† Based on August 21st 1992. Copyright, The Financial Times Limited, Goldman, Sachs & Co, and County NatWest Securities

ASIA PACIFIC

Nikkei's 2.5% gain fails to encourage Pacific Rim

Tokyo

SHARE PRICES extended their gains on continued short-covering and bargain hunting, and the Nikkei average ended a volatile session with a rise of 2.5 per cent, *writes Emiko Terazono in Tokyo.*

The 225-issue average added 411.08 at 16,627.96. The index fell to the day's low of 16,166.40 in the morning but later broke above the 17,000 mark, reaching 17,182.96. Some of the share price gains were trimmed in the last hour of trading as investors grew cautious about the pace of the rise.

Volume jumped to 570m shares from Friday's 417m, surpasssing 500m for the first time since June 12. Rises outnumbered declines by 830 to 121, with 69 issues unchanged. The Topix index of all first section stocks advanced 43.39 to 1,295.09, but in London the ISE/Nikkei 50 index receded 12.25 to 1,053.50.

Speculation that a reduction in the country's official discount rate would be announced at the end of the week, and continued optimism in the wake of the government's emergency economic package, spurred activity.

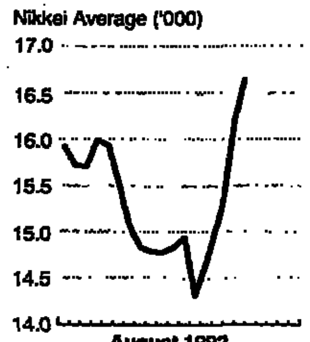
Although the Nikkei index breached an important technical level, not all investors have been able to keep up with the sharp reversal in sentiment. "The speed with which things have moved during the last few days have made it most difficult for fund managers," said Mr Nick Cant at Baring Securities. The Nikkei has rallied 16.2 per cent since last week's announcement of emergency measures to help the ailing banking system.

Foreign investors were seen buying financial issues. Tokio Marine & Fire put on Y20 to Y1,200.

Short-sellers bought back

Japan

Nikkei Average ('000)



Source: Datastream

Nippon Housing Loan, the home-loan company facing financial restructuring due to problem loans. It was the most active issue of the day, rising Y80 to Y401.

Other stocks which were also subject to speculative short-selling last week strengthened, with Okamoto improving Y110 to Y1,190 and Daikyo, the condominium developer, moving up Y80 to Y820.

Banks also made firm gains, with Industrial Bank of Japan rising Y120 to Y2,280 and Sakura Bank Y170 to Y1,300.

Sony, however, fell Y30 to Y4,040 on profit-taking and Nissan Motor lost Y4 to Y588.

In Osaka, the OSE average surged 714.53 to 18,219.16 in volume of 24.9m shares. The index rose above 18,000 for the first time since July 23.

Roundup

WALL STREET'S fall on Friday had more influence on Pacific Rim markets than yesterday's rise in Tokyo.

HONG KONG weakened on US-China trade dispute fears and worries that blue chip companies will announce disappointing half-time results. The Hang Seng index finished 118.46, or 2.2 per cent, off at 5,390.93, exaggerated by the thin turnover of HK$1.96bn, down from Friday's HK$2.62bn.

HSBC Holdings, which reports its interims today, was down 75 cents at HK$49.75 on expectations that the bank may announce a provision to cover its exposure to Canadian property developer Olympia & York. Wharf Holdings retreated 80 cents to HK$14 on fears of poor results being reported tomorrow.

SEOUL was lifted by news of long-anticipated market-boosting measures and South Korea's signing of diplomatic ties with China. The composite index climbed 12.12 to 483.73.

The Finance Ministry said institutions would be encouraged to buy Won3.4 trillion worth of equities and the Securities Stabilisation Fund would be required to raise Won500bn for buying equities.

AUSTRALIA closed lower, the All Ordinaries index losing 19.8 to 1,539.5. National turnover was halved by a 5¼-hour breakdown in the dealing system which wiped out morning business. Only 64.9m shares worth A$115m changed hands.

TAIWAN focused on smaller stocks as the weighted index rose 27.87 to 3,850.68, but turnover contracted to T$19.17bn from Saturday's T$23.4bn.

NEW ZEALAND's NZSE-40 capital index dipped 3.98 to 1,476.26 in turnover of NZ$11.1m. Weakness in Fletcher Challenge, down 3 cents at NZ$2.41, was partially offset by Telecom, up 2 cents at NZ$2.31.

SINGAPORE's Straits Times Industrial index shed 16.54 to 1,330.77 in volume of 22.77m shares, and in KUALA LUMPUR, the composite index ended 2.10 down at 565.56.

MANILA fell in reaction to Wall Street and on continued investor aversion to the new board of Philippine National Bank. The composite index slipped 19.41 to 1,455.71.

EUROPE

Bourses fall on currency, corporate fears

A weak dollar, fears of poor interim results and more bad news from Scandinavia kept the downward pressure on continental bourses, *writes Our Markets Staff.*

FRANKFURT began the week with further declines across the board. The chemical sector was particularly weak as investors sold in anticipation of disappointing first-half results. The FAZ index lost 4.78 to 593.28 at midsession while the DAX index fell 21.28 or 1.4 per cent to 1,498.74, its lowest close since August 1991. German shares extended their decline in the post-bourse with the index estimated to have fallen a further 1.3 per cent. Turnover was unavailable.

Hoechst, which shed DM7.90 to DM231.80, was also affected by the dollar's weakness because of its US exposure; Bayer fell DM7.80 to DM255.80 and BASF finished the session down DM4.30 to DM213.90. Speciality chemical stocks also fell, with Schering dropping DM14.50 to DM689.50 and Henkel DM15 lower at DM575.

Reports that the cartel office may take action against banks for paying low interest rates on savings accounts weighed on the sector. Deutsche Bank lost DM5 to DM611, Dresdner Bank was down DM5.80 at DM319.20 and Commerzbank slipped DM4 to DM219.

PARIS dropped 3.1 per cent as selling on the last day of the account pushed the CAC-40 index down by 54.47 to 1,689.71 in turnover of FFr2bn. Dealers expect a technical rebound today.

Euro Disney dropped FFr5.25 or 7.1 per cent to FFr68.25, as bad sentiment towards the stock persisted following a broker sell note last week. There were also fears that the theme park operator will not pay a dividend on 1992 results.

UAP lost FFr17.10 to FFr356.90 on worries about the

FT-SE Eurotrack 100 - Aug 24

Hourly changes							
Open	10.30am	11 am	12 pm	1 pm	2 pm	3 pm	close
1019.69	1017.99	1017.97	1016.27	1016.70	1013.25	1009.99	1010.52

Day's High 1019.98 Day's Low 1009.47

Aug 21	Aug 20	Aug 19	Aug 18	Aug 17
1039.54	1030.83	1033.91	1035.74	1045.00

Base value 1000 (26/10/90).

consequences of its stake in Hafnia, the troubled Danish insurer. The stock also fell following a report from James Capel underweighting the French insurance sector.

Elf fell FFr6.40 to FFr309.80 ahead of its interim results which were were announced after the close. The drop in net profit to FFr3.34bn from FFr5.22bn in the year-ago period came in at the lower end of forecasts.

MILAN fell as the lira slid further against the mark. Rumours of brokers in difficulty also weighed on sentiment. The Comit index fell 6.06 to 400.06 in turnover estimated at L50bn after Friday's L46.3bn.

Banca Commerciale Italiana, the state-controlled bank which surged last week on rumours of a private sector takeover bid, dropped L87 or 3.4 per cent to L2,438 as the speculative fizz evaporated.

OSLO plunged 5.9 per cent, following the suspension of shares in the troubled insurer, Uni Storebrand. The all-share index fell 19.14 to 305.20, its lowest level since November 1988, in thin turnover of NKr153m.

Uni Storebrand shares, which closed at an all-time low of NKr13.30 on Friday, were suspended as the company tried to secure new capital.

STOCKHOLM plunged 4 per cent as domestic interest rates continued to rise. The Affärsvärlden General Index fell 31.6 to 750.2, its lowest close since February 1988, in turnover of SKr486m after SKr382m.

Skandia dropped SKr6 or 8.8 per cent to SKr62 on news that Uni Storebrand, which owns 28.3 per cent of the Swedish company, had been suspended.

COPENHAGEN's KFX index fell 1.90 to a new all-time low of 77.16 in busy trading.

ZURICH fell sharply as the SMI index lost 41.3 or 2.3 per cent to 1,726.9.

The chemical sector took its cue from Frankfurt with Ciba-Geigy registered shares down SFr16 to SFr631 and Roche certificates SFr80 weaker at SFr3,290. Nestlé was one of the day's biggest losers, its bearers down SFr110 or 1.2 per cent to SFr9,020, but off the day's low of SFr8,960.

AMSTERDAM followed neighbouring markets lower as the CBS Tendency index closed down 3.7 or 3.3 per cent at 107.8, but volume remained thin.

DSM and Akzo lost Fl 2.30 and FL 3.80 respectively to Fl 100.30 and FL 143.30 while Royal Dutch was down Fl 4.70 to Fl 141.00. Daf saw one of the day's biggest falls, losing Fl 1.90 or 10.6 per cent to Fl 16.00.

BRUSSELS lost further ground with Banque Bruxelles Lambert off BFr230 or 7 per cent at BFr3,070 and Delhaize down BFr59 to BFr1,486. The Bel-20 index lost 28.30 or 2.5 per cent to 1,085.12 in turnover estimated at BFr900m.

MADRID's general index closed down 2.64 at 207.60 in turnover of Pta7bn.

SOUTH AFRICA

DE BEERS led the declines in Johannesburg following sharp falls overseas. The overall index closed 31 weaker at 3,148 and industrials fell 30 to 4,046. A firm bullion price boosted golds by 15 to 945.

FT-ACTUARIES WORLD INDICES

Jointly compiled by The Financial Times Limited, Goldman, Sachs & Co., and County NatWest/Wood Mackenzie in conjunction with the Institute of Actuaries and the Faculty of Actuaries

NATIONAL AND REGIONAL MARKETS	MONDAY AUGUST 24 1992								FRIDAY AUGUST 21 1992					DOLLAR INDEX		
Figures in parentheses show number of lines of stock	US Dollar Index	Day's Change %	Pound Sterling Index	Yen Index	DM Index	Local Currency Index	Local % chg on day	Gross Div. Yield	US Dollar Index	Pound Sterling Index	Yen Index	DM Index	Local Currency Index	1992 High	1992 Low	Year ago (approx)
Australia (68)	129.26	−2.1	96.09	101.81	94.32	120.62	−1 3	4.54	132 10	100 57	105 21	98.69	122.22	153.68	129.26	145.66
Austria (19)	150.56	−0.6	111.92	118.59	109 86	111 21	−2 7	2 63	151 51	115 34	120 68	113.19	114.34	186 70	139.27	175.16
Belgium (42)	148.07	+1.0	110.07	116.62	108.04	105.90	−1 1	5 81	146 67	111 66	116 81	109.57	107.06	152.27	135.87	126.60
Canada (114)	126.31	+0.1	93.89	99.48	92 16	108 88	−0 1	3 18	126 22	96 99	100 53	94.29	108.99	142.12	124.32	140.12
Denmark (35)	226.95	+0.0	168.70	178.75	165.60	167.53	−2 2	1 83	226 99	172 80	180 79	169 58	171 34	273.94	225.91	253.19
Finland (15)	64.27	+2.0	47.78	50.62	46 90	52 25	−1 3	2 70	63 01	47 97	50 19	47.08	52.92	89.80	63.01	95.01
France (103)	157.88	−0.7	117.35	124.34	115.19	118 38	−2 7	3 80	159 00	121 05	126 63	118 78	121.72	168.75	148.06	135.20
Germany (64)	116.93	+1.5	86.92	92.11	85.32	85.32	−0 9	2 68	115 19	87 69	91 76	86.06	86.06	129.69	114.67	108.73
Hong Kong (53)	222.49	−2.4	165.38	175.23	162.35	220.81	−2 5	3 78	228 05	173 61	181 63	170.38	226.42	259.55	176.36	167.28
Ireland (16)	159.39	+0.3	118.48	125.54	116 30	119.08	−2 1	4 44	158 83	120 92	126 51	118 66	121.67	173.71	151.78	153.26
Italy (78)	65.04	+0.3	48.35	51.23	47 46	51 98	−2 0	3 99	64 87	49 38	51 66	48.48	53.05	80.88	61.30	70.80
Japan (473)	104.45	+4.6	77.64	82.27	76.23	82.27	+3 4	1 03	99 86	76 02	79 53	74 61	79.53	140.85	87.27	121.94
Malaysia (69)	227.68	−0.2	169.24	179.32	166.13	218 39	−0 5	2.89	228 20	173 73	181.75	170.49	219.42	250.47	212.49	201.21
Mexico (18)	1301.09	−0.8	967.15	1024.76	949.37	4387.83	−0 7	1 37	1311 88	999 71	1044 87	980 10	4418.50	1789 77	1301 09	1159.27
Netherland (25)	165.45	−0.4	122.98	130 31	120.72	119.48	−2 7	4 69	166 06	126 42	132 26	124.07	122.78	167.29	147.88	137 68
New Zealand (14)	42.34	−0.4	31.47	33 35	30.90	41 76	−0.4	5 44	42 52	32 37	33 87	31 77	41 94	48.52	42.01	48.19
Norway (23)	137.81	−5.1	102.44	108.55	100.56	104 14	−7 5	2 42	145 17	110 52	115 63	108.46	112.61	192.95	137.81	203.58
Singapore (38)	184.56	−0.8	137.19	145.36	134.67	136.25	−1 2	2 43	185 96	141 56	148 11	138.92	137 84	229.63	180.71	187 51
South Africa (61)	191.09	−1.5	142.05	150.51	139.43	155.71	−0 9	3 27	193 92	147 63	154 45	144.87	157 13	263.60	186.87	238.35
Spain (49)	139.65	+0.9	103.80	109.99	101 89	96 06	−1 3	6 11	138 11	105 37	110 24	103 41	97.36	161.72	133.79	150 37
Sweden (30)	176.40	−1.5	131.13	138.94	128.72	134 03	−3.6	3 07	179 11	136 35	142 66	133.82	139 01	200.28	173.09	190.01
Switzerland (62)	113.32	+0.6	84.24	89.26	82.70	87 22	−2 2	2 46	112 60	85 72	89 69	84.13	89.14	113 88	95.99	92.34
United Kingdom (228)	182.27	+0.0	135.49	143.55	132 99	135 49	−2 3	5 39	182 21	138 72	145 11	136.12	138.72	200 07	165.85	177.53
USA (522)	167.25	−1.0	124.32	131.73	122.04	167 25	−1 0	3 01	169 01	128 66	134 62	126 27	169 01	173.10	160.92	169 83
Europe (789)	146.98	+0.2	109.26	115.77	107 26	108 75	−2.1	4 37	146 73	111 70	116 87	109 63	111.14	156.88	139.31	138.72
Nordic (103)	163.07	−1.2	121.22	128.44	118.99	118 11	−3 4	2 59	165 11	125 69	131 50	123.35	122 26	188 52	163.07	186.66
Pacific Basin (715)	108.92	+3.7	80.96	85.79	79.48	87 36	+2 8	1 40	105 01	79 94	83 64	78.45	85 02	141 97	93.70	123.78
Euro – Pacific (1504)	124.32	+2.0	92.41	97.91	90.71	96 13	+0 4	2 82	121 88	92 79	97 07	91 05	95 78	145.21	113.80	130.02
North America (636)	164.68	−1.0	122.41	129.72	120.18	163.27	−1 0	3.02	166 33	126 62	132 49	124.28	164 92	170.31	158.70	158.54
Europe Ex. UK (561)	125.58	+0.3	93.35	98.93	91.65	93.37	−2 0	3 64	125 23	95 34	99 76	93.58	95 30	132.98	121.81	115.80
Pacific Ex. Japan (242)	152.80	−1.8	113.58	120.36	111.50	138.43	−1 6	3 90	155 66	118 50	124 00	116.30	140 70	175.31	149.00	142.19
World Ex. US (1697)	125.80	+1.8	93.51	99.09	91.79	98.25	+0 3	2 83	123 52	94 03	98 39	92.28	97.94	146.81	116.18	132.09
World Ex. UK (1991)	134.71	+0.7	100.14	106.11	98 31	117 79	+0 0	2 59	133 73	101 80	106 52	99.92	117.76	150.58	127 21	136.93
World Ex. So. Af. (2158)	138.54	+0.7	102.98	109.12	101.10	119.05	−0 2	2 90	137 60	104 75	109 60	102 81	119 32	153 05	130 04	139.83
World Ex. Japan (1746)	158.27	−0.6	117.65	124.67	115.51	140.75	−1 4	3 54	159 27	121 25	126 86	119.01	142.80	165.40	153.20	151.61
The World Index (2219)	138.82	+0.7	103.19	109.34	101 30	119.40	−0 2	2 90	137 92	104 99	109 85	103 04	119.69	153 70	130.66	140.46